

## The Gazette



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## NOTICE

The undermentioned Gazettes of India Extraordinary were published upto the 9th September, 1963 :—

Issue No.	No. and Date	Issued by	Subject
173	S.O. 2576, dated 3rd September, 1963.	Ministry of Labour and Employment.	Arbitration Agreement in relation to the State Bank of Bikaner and Jaipur and their workmen.
174	S.O. 2577, dated 6th September, 1963.	Ministry of Law	The Registration of Electors (Amendment) Rules, 1963.
	S.O. 2578, dated 6th September, 1963.	Do.	The Conduct of Elections (Amendment) Rules, 1963.
175	S. Os. 2579 and 2580, both dated 6th September, 1963.	Ministry of Information and Broadcasting.	Approval of films specified therein.
176	S.O. 2581, dated 9th September, 1963.	Ministry of Law	Declaration containing the name of the candidate to fill the vacancy in the Council of States elected by the elected members of the West Bengal Legislative Assembly.

Copies of the Gazettes Extraordinary mentioned above will be supplied on indent to the Manager of Publications, Civil Lines, Delhi. Indents should be submitted so as to reach the Manager within ten days of the date of issue of these Gazettes.

## PART II—Section 3—Sub-section (ii)

Statutory orders and notifications issued by the Ministries of the Government of India (other than the Ministry of Defence) and by Central Authorities (other than the Administrations of Union Territories).

## ELECTION COMMISSION, INDIA

New Delhi, the 13th September 1963

S.O. 2656.—Whereas the election of Shri Sita Ram as a member of the Council of States by the elected members of the Uttar Pradesh Legislative Assembly has

been called in question by an election petition by Shri Daryodhan, S/o Shri Devi Charan, M.L.A., Village Bhitauli, Post Office Bhitauli, District Gorakhpur;

And whereas by its notification No. 82/348/62, dated the 15th June, the Election Commission appointed Shri Gursaran Das Sehgal, District Judge, Kanpur, to be the Member of the Election Tribunal constituted for the trial of the said petition;

And whereas, the said Shri Gursaran Das Sehgal consequent on his appointment as Judge of the Allahabad High Court, has resigned the membership of the said Tribunal and a vacancy has accordingly occurred in the office of the Member of the Tribunal;

Now, therefore, in exercise of the powers conferred by sub-section (4) of section 86 and section 88 of the Representation of the People Act, 1951, the Election Commission hereby appoints Shri Harish Chandra Agarwala, Addl. District Judge, Kanpur, to fill the said vacancy and Kanpur as the place where the trial of the petition shall be held.

[No. 82/348/62.]

By Order,

V. RAGHAVAN, Under Secy.

## MINISTRY OF FINANCE

### (Department of Expenditure)

*New Delhi, the 9th September 1963*

**S.O. 2657.**—In pursuance of clause (3) of Article 77 of the Constitution and of all other powers enabling him in this behalf, the President hereby makes the following rules to amend the Delegation of Financial Powers Rules, 1958, namely:—

1. The rules may be called the Delegation of Financial Powers (Fourth) Amendment Rules, 1963.

2. In the Delegation of Financial Powers Rules, 1958,

(i) in Schedule I.—

(a) under the sub-heading E—Ministry of Finance (Revenue Department), after item 13 and the entries relating thereto, the following shall be inserted and shall be deemed to have been inserted with effect from the 6th day of June, 1963, namely:—

“14. Customs Adviser, Goa, Panjim.”

(b) under the sub-heading J—Ministry of Information and Broadcasting, after item 5 and the entries relating thereto, the following shall be inserted and shall be deemed to have been inserted with effect from the 16th day of May, 1963, namely:—

“6. Principal, Film Institute of India, Poona.”

(c) under the sub-heading S—Ministry of Transport and Communications, for item 8 and the entries relating thereto, the following shall be substituted and shall be deemed to have been substituted with effect from the 19th day of July, 1962, namely:—

“8. Development Adviser in the Department of Transport in respect of the Minor Ports Dredging and Survey Organisation.”

(ii) in Schedule II and Schedule III, in the first column under the sub-heading ‘Administrators’, in the entries against each of the items (ii) and (iii), after the words “Laccadive, Minicoy and Amindivi Islands”, the words “and Administrator, Dadra and Nagar Haveli” shall be inserted and shall be deemed to have been inserted with effect from the 11th day of August, 1961.

[No. F. 1(25)-EII(A)/63.]

R. K. AGARWAL, Dy. Secy.

(Department of Economic Affairs)

New Delhi, the 10th September 1963

REPORT OF THE CENTRAL BOARD OF DIRECTORS OF THE RESERVE BANK OF INDIA FOR THE YEAR JULY 1, 1962—JUNE 30, 1963.

**S.O. 2658.**—In accordance with section 53(2) of the Reserve Bank of India Act, 1934, the Central Board of Directors has submitted to the Government of India the following report on the working and accounts of the Bank for the year ended June 30, 1963.

**I. DEVELOPMENTS IN THE ECONOMY**

**General**

The year July 1962—June 1963 began in difficult circumstances with commodity prices on the upgrade, rate of industrial growth at a low point, stock markets on a downward trend and foreign exchange reserves declining rather rapidly. The Chinese invasion of the country's northern borders in October necessitated a considerable step-up in the defence effort, and together with the larger developmental outlays required to reach the targets in the Third Five-Year Plan, called for the maximum mobilisation of national resources. The developments during the year in various fields of economic policy, therefore, centred on the problem of gearing the economy to an enhanced national effort for defence and development and containing the inflationary pressures that might be generated thereby.

2. The rate of growth of industrial production improved with an easing of shortages in power, fuel and transport which had contributed to the earlier slackening in industry. However, the comparative stagnation in agricultural output, particularly of food articles, experienced during the previous year continued during the year under review. This was chiefly responsible for only a modest rise being achieved in national income in the financial year 1962-63. It also led to an almost continuous pressure on prices and brought problems of price policy to the fore. Government announced several measures, particularly relating to agricultural commodities, which would provide an incentive to production, on the one hand, and on the other would ensure distribution of the more essential commodities at reasonable prices to the consumers.

3. In the field of fiscal and public debt policy, the Government's borrowing rates were raised in respect of both market loans and small savings and additional savings media were introduced to take advantage of the psychological atmosphere brought about by the Emergency. But the major effort in resource mobilisation was made in the field of taxation with a considerable widening and deepening of the tax structure in the Government of India's budget for the financial year 1963-64.

4. In the Bank's sphere of action, the cost of credit was raised through modifications of the slab rate system coupled at a later stage with an increase in the Bank rate from 4 per cent to 4½ per cent. A system of limiting the access of banks to the Reserve Bank was introduced with the object of restraining excessive credit expansion and making the banking system more selective in its credit operations so as to direct its resources increasingly to purposes connected with defence, development and exports.

5. The overall balance of payments position recorded an improvement during the year 1962-63 (July-June) which was reflected in an increase in the country's foreign exchange reserves of Rs. 48 crores; in the previous year the reserves had fallen by Rs. 41 crores in spite of a net drawing of Rs. 58 crores from the International Monetary Fund. The improvement was mainly the result of a quicker flow of aid. The increase in exports was partly due to the inclusion of exports from Goa; the problem of achieving a higher rate of growth of exports still remains. Another factor of a temporary nature responsible for the rise in foreign exchange reserves was a substantial inflow of banking capital during the busy season of 1962-63. As a result of the improvement in the balance of payments position it was possible to liberalise raw material imports to a small extent.

6. A field in which several important measures were taken was that of gold. Even prior to the Emergency, Government had taken powers to regulate the production, supply and distribution of gold. The measures adopted since the

Emergency included the introduction of Gold Control, primarily with a view to preventing smuggling of gold, and the setting up of a Gold Board to administer the control. Gold bonds were introduced in November to mobilise some of the gold hoards in the country and they netted gold worth Rs. 8.8 crores at the international price.

7. The Emergency and its aftermath thus dominated the economic scene during most of the period under review. It necessitated a whole series of measures for the mobilisation of resources and for coping with the problems created by the increased inflationary pressures.

### **Agricultural Production**

8. Although detailed figures of agricultural production in 1962-63 (July-June) are as yet not available, indications are that agriculture has failed for the second year in succession to register any appreciable increase in output. The output of rice in particular shows a decline due to adverse weather conditions in both the Eastern and the Western regions. Wheat production is likely to be equal to the previous year's record output while production of millets and pulses is expected to be higher than the last year's level. Among the commercial crops, the output of groundnut at 45 lakh tonnes in 1962-63 (July-June) is lower by 2 per cent than in 1961-62. A smaller crop of sugarcane led to a shortfall in sugar production of over 5 lakh tonnes and a sharp increase in prices of sugar; gur prices also rose. Production of cotton at 56 lakh bales according to the trade estimate is likely to establish a new record; but this will still be below the target fixed for the year under the Third Plan. The production of jute and mesta declined by 14 per cent to 69 lakh bales; however, the substantial carry-over of 26 lakh bales from the 1961-62 season ensured a comfortable supply position during the year.

9. Mention was made in last year's Report of the need for more thorough-going efforts to raise agricultural production in general and food production in particular. The performance in the past two years has shown that the need for efforts to raise agricultural output and productivity is even more urgent today than at any time in the past. Unless agriculture is given the highest priority and firm and adequate measures are taken to increase agricultural output, the outcome of the planning effort may be placed in jeopardy. The agricultural sector contributes nearly one half to the national income and the prices of agricultural commodities occupy a crucial place in the price structure. Progress in agriculture is vital to both industrial growth and export promotion.

### **Industrial Production**

10. The year began with a relatively low rate of growth of industrial output of 7.4 per cent during July-September 1962. With progress in overcoming the bottlenecks in power, transport and fuel, which had been responsible for depressing the rate of growth, and with the impetus given by the Emergency, the growth rate picked up. For the financial year 1962-63 the rate was 8.0 per cent as against 6.3 per cent in 1961-62. Production increases were recorded by most of the major industries, the exceptions being silk textiles, synthetic fibres, sugar and tea. A particularly satisfactory feature was the attainment of capacity working by the steel plants. Aluminium, woollen textiles, jute manufactures and coal were some of the other industries which registered considerably higher rates of growth than in the previous year. As against this, a drop in sugar production occurred as a result of the fall in output of sugarcane and diversion of cane to the production of gur. Tea output also fell owing to adverse weather conditions. During this period, there were additions to capacity in a number of industries such as aluminium, tyres and tubes and cables and wires.

11. While the increase in the rate of growth of industrial production is a welcome development it has to be remembered that the current growth rate of some 8 per cent per year is smaller than the rate of 10 per cent attained a couple of years ago as well as the planned rate of 11 per cent per year. The ability to achieve the planned rate depends, among other things, upon a satisfactory solution of the problem of raw material supplies which would enable fuller utilisation of installed capacity. As regards imported raw materials, the position will no doubt be somewhat better than in the past as a result of the Consortium countries having agreed to make available a larger quantum of assistance untied to projects. This, however, can only be a short-term expedient. A lasting solution of the problem can come only through developing indigenous raw materials and fostering their utilisation and through an increase in export earnings generally.

### Aggregate Demand and Supply

12. While aggregate supply during the year July 1962—June 1963 improved, it failed to catch up with the growth of aggregate demand. This imbalance is reflected in a rise in prices during the year. On the supply side, while agricultural production was more or less static, industrial production picked up particularly after the onset of the Emergency and the rate of growth for the financial year 1962-63 showed, as mentioned earlier, a distinct improvement over 1961-62. Imports rose largely because of P.L. 480 imports of foodgrains and cotton. A moderate rise in exports as well as increase in inventories particularly under raw cotton, where the increase was substantial, absorbed a part of the increase in aggregate supplies. Stocks of foodgrains with the Central and State Governments rose only slightly. The magnitude of the increase in aggregate supply was on the whole quite small.

13. As regards aggregate demand, available indicators point to a substantial increase during the year. The total expenditure of the Central Government including the Government's consumption and investment expenditure as well as loans and payments to State Governments, financial institutions and others, increased during the financial year 1962-63 (revised estimates) by 30.2 per cent. Private investment in organised industry which had risen appreciably in 1959, 1960 and 1961, has, it appears from available indices, shown a further rise in 1962. Imports of capital goods on private account as well as domestic output of machinery and intermediate products were substantially higher while the offtake of steel and cement recorded an increase. Further, fresh borrowings by non-governmental companies were moderately higher than in the previous year. Data regarding applications for consents to new capital issues, which broadly indicate investment intentions of the private sector, showed a rise, although the utilisation of these consents for the reasons noticed later in the Report slowed down after the onset of the Emergency. Population growth must have led to an increase in the consumption outlays of the private sector, increasing also the direct demand for food of the agricultural sector and reducing the marketable surplus.

### Pressure on Prices

14. The seasonal rise in prices, which began towards the end of March 1962, continued till early August, with the general index moving up by 7.1 per cent. This rise was larger than that in the corresponding period of the previous year or of the year before. From early August till mid-November prices ruled steady declining only very gently and the post-harvest seasonal fall was confined to a month from November 17 to December 15. The seasonal decline from early August to December 15 was only 4.7 per cent. After that prices were again on the uptrend, slowly at first, but rapidly from March 30, with the onset of the agricultural lean season. Over the year, the rise in prices amounted to 4.6 per cent as against 1.5 per cent in the previous year and 2.8 per cent in the year 1960-61 (July-June). Thus there was once again an upward thrust of prices after two years of comparative stability.

15. All the constituent groups contributed to the rise in the general price index over the year but the major contribution was from food articles which went up by 7.3 per cent. The increase in this group was mainly in the prices of rice, pulses, sugar and gur which rose by 14.1 per cent, 5.7 per cent, 4.8 per cent and 38 per cent, respectively. Industrial raw materials showed a small rise of 1.4 per cent and this was mainly due to the rise in cotton prices. Owing to the short-fall in the production of raw jute in 1962-63 (July-June) as compared to the previous year, raw jute prices went up slightly; but the rise in this case enabled prices to recover somewhat from the low level to which they had fallen in the previous year. Oilseeds in contrast showed a small decline over the year. The rise in the prices of manufactures was smaller than that of industrial raw materials, mainly because the rise in the prices of cotton manufactures which followed the rise in the prices of cotton was offset by the substantial fall in the prices of jute manufactures. Liquor and tobacco and fuel, power, light and lubricants, the two other sub-groups, also showed increases over the year of 21.2 per cent and 9.9 per cent, respectively; but a large part of this rise took place as a result of the imposts in the 1963-64 budget.

16. With the onset of the Emergency, several measures were taken in regard to prices. In the first place, in order to avoid hardship to the consumer in regard to essential commodities, distributional facilities were sought to be improved through fair price shops and consumer stores. Secondly, higher procurement

prices were fixed for rice and wheat to facilitate the accumulation of Government stocks for diversion to points where shortages appeared. Thirdly, minimum prices were announced, for example, for wheat, jowar and raw jute to provide incentives to cultivators. Lastly, prices of some of the controlled commodities like iron and steel, coal and cement, were raised to meet increases in costs and provide incentives for larger output. Simultaneously, an appeal was made to wholesalers and distributors to take steps through their associations to keep a check on prices. Appropriate adjustments were made in overall and selective credit controls with a view to alleviating pressure on prices. That prices have continued to rise despite these measures highlights the seriousness of the problem and emphasises once again the need for every effort to maintain a reasonable degree of financial stability while reinforcing the measures for defence and development.

### Public Sector Outlay and Resources Mobilisation

17. Mainly on account of a large increase in defence expenditure and partly owing to the rise in developmental expenditure, the total budgetary outlays of the Central Government went up substantially from Rs. 1044 crores in the financial year 1961-62 (Accts.) (adjusting for the changes in accounting procedure regarding interest payments) to Rs. 1364 crores in 1962-63 (R.E.) on revenue account and from Rs. 1172 crores to Rs. 1516 crores on capital account. In the States too, total outlays rose appreciably. As regards Plan outlays, the Central and State Governments had planned for an outlay of about Rs. 1480 crores in 1962-63 (R.E.) as compared to an actual outlay of Rs. 1112 crores in 1961-62 (Accts.). For 1963-64 (B.E.) the size of the annual plan has been set at a little over Rs. 1650 crores. There has thus been a progressive stepping up of Plan outlays, the increase over the previous year rising from 14.8 per cent in 1961-62 (Accts.) to 19.7 per cent in 1962-63 (R.E.) and further to 22 per cent in 1963-64 (B.E.).

18. Given the increase in total outlays, the problem of resource mobilisation has become increasingly difficult. The overall budgetary surplus of the Centre and States of Rs. 48 crores in 1960-61 (Accts.) changed to a deficit of Rs. 87 crores in 1961-62 (Accts.) and of Rs. 132 crores in 1962-63 (R.E.), despite a sizeable increase in taxation at the Centre and in the States in each of the two years as well as better response to market borrowings and larger receipts from non-tax sources. For 1963-64 (B.E.) fresh taxation has been imposed on an unprecedented scale by the Central Government while the States also imposed some fresh taxes. The response to market borrowings is estimated at a higher level in 1963-64 (B.E.) and external borrowings are also expected to be substantially higher; nevertheless the budgeted deficit of the Centre for 1963-64 (B.E.) is estimated at Rs. 181 crores. This underlines the magnitude of the problem of resource mobilisation for the public sector.

19. The performance of the Centre in the field of additional taxation has already exceeded the five-year target laid down in the Plan. The yield from each year's measures of additional taxation including that from the enhancement of railway fares and freights and postal rates amounts to Rs. 85 crores in 1961-62 (Accts.), Rs. 100 crores in 1962-63 (R.E.) and Rs. 280 crores in 1963-64 (B.E.). Over the entire Plan period, the total yield from the various measures of additional taxation undertaken by Central Government during the first 3 years of the Third Five-Year Plan would be around Rs. 1900 crores. Additional taxation in the States yielded Rs. 15 crores in 1961-62 (Accts.). The measures taken in 1962-63 (R.E.) are likely to bring in Rs. 34 crores and the measures proposed for the current year including the step-up in Central sales tax are estimated to yield Rs. 53 crores. This latter figure includes Rs. 21 crores as States' share of the yield from the step-up in sales tax. The five-year yield from these measures is placed around Rs. 515 crores. Additional taxation at the Centre and the States during 1963-64 (B.E.) is expected to raise the ratio of Central and States' tax revenues to national income from 9.6 per cent at the end of the Second Plan to over 13 per cent. This is a considerable achievement and any further substantial expansion of tax receipts will only be feasible on the basis of appreciable increase in production.

20. The taxation policy for the financial year 1963-64 has a number of economic objectives. In the first place, the taxation programme has been designed to meet the heavy expenditure on defence and development. Secondly, taxes have been increased in order to keep down expenditure on items which have a large foreign exchange content and thereby minimise the strain on the balance of payments: a surcharge of 10 per cent was imposed on all imports, and duties on consumer goods, particularly, kerosene, motor spirit and diesel oil were enhanced. The general surcharge on imports is expected to draw to the exchequer a part of the profits which

would otherwise accrue to the importers. Thirdly, in an attempt to encourage import substitution, duties on machinery, iron and steel products and motor vehicle parts have been raised. Lastly, there has also been a definite attempt to mop up purchasing power and to restrict consumption in general. The reliance on indirect taxation has increased, although direct taxation has also gone up substantially. The taxation effort of the States in the financial years 1962-63 and 1963-64 has also been better than in the past. Mention was made in last year's Report of the proposals to increase assessments of land revenue to mobilise tax resources in the States. However, the actual progress made so far in this field has been very limited.

21. Impressive progress was made in respect of Government borrowing during the financial year 1962-63. Net market borrowings by the Centre and the States in 1962-63 amounted to Rs. 184 crores. A step-up in yields as well as the change in sentiment brought about by the Emergency were the main factors responsible for the improvement. The increase in yields on new Government loans issued in July and August 1962 was already mentioned in last year's Report. These loans were followed by the issue in November 1962 of National Defence Bonds 1972 carrying a higher redemption yield of 4.25 per cent as compared to the yields on the existing loans of more or less comparable maturity, ranging between 3.84 per cent and 4.09 per cent. In line with these higher yields there was an upward adjustment in the gilt-edged yield structure. The increase in yields ranged upto 0.42 per cent in the case of short-dated loans, upto 0.71 per cent in the case of medium-dated issues and upto 0.43 per cent in the case of long-dated issues as compared to 0.94 per cent, 0.71 per cent and 0.08 per cent, respectively, in the previous year. The price index of Government and semi-Government securities moved down from 100.7 to 98.8, representing a decline of 2 per cent over the year compared to a decline of 0.4 per cent in 1961-62 (July-June). The process of adjustment appears to have been completed by April 1963, and gilt-edged prices showed a modest recovery in the last two months of the year, following some buying by institutional investors including banks.

22. The 1963-64 budget provided for gross market borrowings for the Centre and States together of Rs. 393 crores. The first instalment of the borrowing programme announced on April 29, 1963 comprised two new conversion loans, viz., the 4 per cent 1969 Loan and the  $4\frac{1}{2}$  per cent 1986 Loan. The total amount subscribed by tenders of the two maturing loans, viz., the 3½ per cent Bonds 1963 and the 3 per cent Loan 1963-65 amounted to Rs. 138.79 crores approximately; the balance of about Rs. 35 crores of these two maturing loans was repaid in cash. The second instalment announced on July 1 comprised an offer of two new cash-cum-conversion loans for a total sum of Rs. 225 crores, namely, (i) a further tranche of the existing 4 per cent 1969 Loan at an issue price of Rs. 99.50 and (ii) a  $4\frac{1}{2}$  per cent 1973 Loan issued at par. The redemption yield on the 1969 Loan was the same as on the existing tranche and that on the 1973 Loan was 4.25 per cent which was slightly higher than that on the existing  $4\frac{1}{2}$  per cent 1972 Defence Bonds. Subscriptions to the two loans were accepted in the form of cash or securities of eleven State Loans and of two Hyderabad loans totalling Rs. 47.4 crores maturing during the current year. The total subscriptions approximated to Rs. 226 crores, and brought the gross market borrowings during the financial year 1963-64 to Rs. 367 crores.

23. Net collections from small savings during the financial year 1962-63 were smaller than the previous year, amounting to Rs. 78 crores as compared to Rs. 86 crores in 1961-62. This decline is more than accounted for by Post Office Savings Bank Deposits which fell by Rs. 26 crores, despite a raising with effect from August 1, 1962 of the interest rate from 2½ per cent to 3 per cent on deposits upto Rs. 10,000 for individual accounts and from 2 per cent to 2½ per cent on deposits above Rs. 10,000 in individual accounts as well as deposits in public accounts. With the advent of the Emergency, the Government introduced new 10-Year Defence Deposit Certificates and 12-Year National Defence Certificates carrying a higher yield of 4.50 per cent and 4.75 per cent, respectively, as against 4 per cent and 4.25 per cent on the corresponding savings media which they replaced. A new scheme of Premium Prize Bonds, 1963 was also introduced with effect from January 1, 1963 which will run to the end of the year. The new Bonds give the holders a premium of 10 per cent on the face value besides the chances of winning a prize. Another measure for mobilising resources for defence was the setting up of the National Defence Fund. The total contributions received into the Fund upto June 1963 amounted to Rs. 54.6 crores in cash, and 21.75 lakh grammes in gold and gold articles valued at Rs. 1.17 crores at the international price of gold and 10.75 lakh grammes in silver.

24. An important step taken to augment the budgetary resources of the Central and State Government was the introduction of a compulsory deposit scheme. Under this scheme individuals belonging to various sections of the community such as

salary earners, businessmen, agriculturists, etc. with incomes above certain levels are required to deposit specified proportions of their incomes regularly. The deposits are not withdrawable for a period of five years and will bear simple interest at 4 per cent per annum. The scheme is expected to bring in Rs. 60 crores in the financial year 1963-64, of which Rs. 25 crores is estimated to accrue to the Centre and Rs. 35 crores to the States.

25. External assistance in the form of loans and grants at Rs. 263 crores during the financial year 1962-63 was higher than in 1961-62 by Rs. 78 crores. Budgetary receipts from P.L. 480 counterpart funds are expected to be of the order of Rs. 194 crores as compared to Rs. 122 crores in 1961-62. In the aggregate, net foreign assistance is estimated to be higher by Rs. 150 crores than in 1961-62.

### **Mobilisation of Resources in the Private Sector**

26. Available information indicates that the resources available to the private sector from the capital market suffered some setback in the year 1962-63 particularly after the Emergency. Stock markets which had enjoyed an almost unbroken boom since 1958 took a sharp downward turn, the index of share prices falling by 8.2 per cent during July-December 1962 and 16.0 per cent during the full year ended June 1963. The decline was mainly attributable to the situation created by the Chinese invasion, apprehensions concerning the budget and disappointment over the smaller increase in steel retention prices than recommended by the Tariff Commission. A part of the fall came as a corrective to the earlier rise in share prices. The unusually heavy taxation in the 1963-64 budget which included a Super Profits Tax that, in its original form, raised serious doubts about maintenance of dividends and retained profits by companies, accentuated the depressed state of the stock markets.

27. During 1962, consents granted by the Controller of Capital Issues to companies in the private sector for issue of shares, other than bonus shares, and debentures, which broadly indicate investment intentions in the private sector, were markedly higher at Rs. 163 crores as against Rs. 133 crores in 1961. The amount of consents for issue to foreign participants also rose. Total capital raised by private sector companies in shares and debentures during 1962 was, however, only slightly higher. Public response to the issues during the year was more selective than in the preceding year, particularly during the last quarter of the year when a number of issues failed to attract sufficient subscriptions. The change in sentiment was also reflected in the non-utilisation by many new companies of the consents received for capital issues. Available data on new issues for the first half of 1963 indicate a further slowing down.

28. To deal with the situation arising from the sharp fall in share prices, further measures to regulate the working of stock exchanges were found necessary. The uniform margin system introduced in December 1961 was found inadequate and was buttressed by other measures to curb speculative trading and, at the height of the crisis, by the temporary closure of business on the leading stock exchanges. Government ordered the suspension of forward trading on stock exchanges effective November 29, 1962. With an abatement of selling pressure in the markets, these restrictions were gradually lifted. Government also permitted in June 1963 the resumption of forward trading in shares subject to a system of margins, stricter than the uniform margin scheme in operation till then and which aimed at safeguarding the interest of investors and protecting the markets from speculative raids.

29. As against a shortfall in the resources available for industry in the private sector from the capital market, the finance from the various term lending institutions\* showed an increase during the year. While the aggregate amount of loans sanctioned by these institutions rose from Rs. 67 crores in the financial year 1961-62 to Rs. 70 crores in 1962-63, the more significant fact was the appreciable rise in actual disbursement from Rs. 30 crores to Rs. 47 crores. The ratio of disbursements to total sanctions which was about 47 per cent in the financial year 1961-62 rose to 67 per cent in 1962-63. These funds were distributed among a larger number of industrial units and were utilised not only for expansion and modernisation of existing units but also for the establishment of new industries. The Industrial Finance Corporation of India and the Industrial Credit and Investment Corporation of India also provided increased underwriting facilities in respect of new issues. The Life Insurance Corporation too expanded its activities. The life fund of the Corporation

\*Comprising (i) The Industrial Finance Corporation of India, (ii) The State Financial Corporations, (iii) The Industrial Credit and Investment Corporation of India, (iv) The Refinance Corporation for Industry and (v) The National Industrial Development Corporation. Data for the ICICI relate to the calendar years 1961 and 1962.



which had increased by Rs. 65.1 crores in 1960 rose further by Rs. 71.2 crores in 1961 (the latest year for which data are available). The Corporation's investments in the public sector rose by Rs. 32.6 crores and those in the private sector comprising mainly shares and debentures of joint stock companies by Rs. 13.5 crores in 1961. Also, the amount of shares and debentures underwritten by the Corporation increased appreciably from Rs. 2.3 crores in 1960 to Rs. 7.6 crores in 1961. The flow of funds through the Corporation may be expected to show a further improvement during 1962. The various term-lending institutions are thus increasingly assisting the growth of the private industrial sector by widening their activities. In the prevailing context of sluggish conditions in the new issue market there is likely to be growing pressure of demand from the industry on these institutions.

30. Financial assistance to the small-scale industries sector was made available in a variety of ways. The Central budget for the financial year 1962-63 provided Rs. 12 crores for grants and loans and advances to State Governments for the purpose of making loans to small-scale industries. The Government scheme for the guarantee of loans and advances granted to small-scale industries by specified credit institutions, was also made permanent and extended to the entire country. Guarantees issued under this scheme during 1962-63 (July-June) aggregated Rs. 9.7 crores as against Rs. 6.3 crores in 1961-62, the total amount of outstanding guarantees as on June 30, 1963 being Rs. 9.80 crores. The State Bank and its subsidiaries in particular have been providing increasing financial assistance to the small-scale industries sector under the co-ordinated credit scheme initiated in 1950.

31. In the agricultural sector, the assistance out of the National Agricultural Credit (Long-term Operations) Fund was in the form of medium-term loans to State co-operative banks, long-term loans to State Governments for contribution to the share capital of co-operative credit institutions and subscriptions to rural debentures floated by central land mortgage banks. The medium-term credit limits sanctioned during the year aggregated Rs. 9.3 crores as against Rs. 9.6 crores during the year 1961-62. Loans to State Governments for share capital participation in co-operative credit institutions amounted to Rs. 4.9 crores during the year which was the same as was sanctioned in 1961-62. Rural debentures floated by the Andhra, Maharashtra, Gujarat, Kerala, Madras and Punjab central land mortgage banks during the year were for a total sum of Rs. 1.69 crores which included the Reserve Bank's contribution of Rs. 93 lakhs; during 1961-62 rural debenture floatations aggregated Rs. 2.25 crores of which the Bank's contribution amounted to Rs. 97 lakhs. Ordinary debentures floated by central land mortgage banks during the year were Rs. 19.2 crores, of which the amount subscribed by the Reserve Bank was Rs. 2.5 crores; the corresponding figures for 1961-62 were Rs. 10.5 crores and Rs. 0.7 crore, respectively. Contributions to ordinary debentures came as usual from the general funds of the Bank.

### Monetary and Credit Trends

32. The increased outlays in the public and private sectors led to a marked rise in money supply amounting to Rs. 315 crores during 1962-63 as against Rs. 217 crores in 1961-62, showing a rate of growth of 10.3 per cent as against 7.6 per cent in the previous year. While both components of money supply increased, the expansion in deposit money which comprises demand deposits with banks and 'other' deposits with the Reserve Bank of India, was larger (from Rs. 55 crores in 1961-62 to Rs. 131 crores in 1962-63) than in currency with the public (from Rs. 162 crores to Rs. 184 crores).

33. Net bank credit to Government, which comprises investments in Government securities by the Reserve Bank and other banks (excluding the investments of P.L. 480 and P.L. 665 funds) and ways and means advances adjusted for changes in Government's cash balances with the Bank, has been the most important factor affecting money supply during the year although its contribution was a little lower at Rs. 316 crores in 1962-63 as against Rs. 327 crores in the previous year. In both years, the bulk of the increased credit was made available by the Reserve Bank. Credit extended by banks to the private sector comprising both bank advances and holdings of private securities rose by a smaller amount of Rs. 144 crores in 1962-63 as against Rs. 161 crores in 1961-62. However, as time deposits of the banks, adjusted for P.L. 480 and P.L. 665 deposits, increased by a much smaller magnitude as compared to the previous year—Rs. 76 crores in 1962-63 as against Rs. 204 crores in 1961-62—net bank credit to the private sector, which comprises banks' advances and holdings of private securities adjusted for time deposits, showed a large swing from a contraction of Rs. 43 crores in 1961-62 to an expansion of Rs. 68 crores. This exerted a substantial expansionary impact on money supply. The balance of payments which in the past few years had contributed to an increasing extent to a contraction of money supply also changed into an expansionary factor. As against a reduction of Rs. 107 crores in the net

foreign exchange assets of the Reserve Bank in 1961-62, there was a rise of Rs. 7 crores in 1962-63, indicating a swing of Rs. 114 crores. While in 1961-62, a decline of Rs. 16 crores in foreign exchange assets was accompanied by a substantial increase in foreign exchange liabilities which included a net drawal on the International Monetary Fund of Rs. 58.3 crores, the small rise in foreign exchange assets in 1962-63 was not offset by any significant increase in foreign exchange liabilities.

34. Although the expansion in bank credit over the year 1962-63 (July-June) was somewhat smaller than in the previous year, the banking system was under pressure in the early part of the year mainly as a result of the dislocation caused in the economy by the Chinese invasion. Following the declaration of the Emergency there was a slowing down of deposit growth which lasted till about the middle of March. Aggregate deposits excluding P.L. 480 and P.L. 665 funds, rose by only Rs. 68 crores during the period October 1962 to March 1963 as compared to Rs. 125 crores in the corresponding period of the previous year. Also, the busy season of 1962-63 started with a somewhat more extended position for the banks than in the previous year as the slack season contraction had been much less in 1962 than in 1961. At the peak of the busy season in 1962-63, the expansion of bank credit at Rs. 218 crores was a little higher than in the 1961-62 busy season (Rs. 213 crores). The credit-deposit ratio excluding P.L. 480 and P.L. 665 funds, touched 80.1 per cent on April 12, 1963 as against 78.5 per cent touched in the previous busy season on May 4, 1962. Because of the set-back in the growth of deposits during the busy season and the spurt in seasonal credit demands, banks had to explore other avenues for raising resources. Their borrowings from the Reserve Bank reached a peak of Rs. 83 crores in the 1962-63 busy season as against Rs. 66 crores in 1961-62 season. Banks had to liquidate a part of their investment portfolio; there was greater activity in the inter-bank call money market where the rates touched record levels of  $6\frac{1}{4}$  per cent to  $6\frac{1}{2}$  per cent and some banks also brought in sizeable funds from abroad.

35. The set-back in deposit growth was, however, temporary. This is apparent from the trend of deposits since March. During the four months April-July 1963 aggregate deposits, excluding P.L. 480 and P.L. 665 funds, increased by Rs. 136 crores as against Rs. 125 crores during the corresponding period. An interesting development in the recent growth of deposits is a shift in favour of demand deposits. Over the year 1962-63, time deposits have shown an increase of only Rs. 68 crores as against Rs. 203 crores during the previous year while demand deposits have increased by Rs. 118 crores as against Rs. 58 crores. This reduces to some extent the cost to the banks of raising deposit resources and affords them some relief in a situation where all other costs are on the increase.

36. The fact that the set-back in deposit growth in the last busy season was temporary does not mean that the banks can afford to slacken their efforts at deposit mobilisation. With rising money incomes and investment, the pressure of demand on liquid funds will grow *pari passu* with that on real resources. It is essential therefore that the additional credit supplied by the banking system is backed by the genuine savings of the community in the form of bank deposits, as otherwise the existing pressures on the price level will be further accentuated. This is the basic consideration behind the concern that is felt by the Bank with regard to the high levels of credit-deposit ratio that have been prevalent in the recent past.

37. In terms of the recent amendments to the Banking Companies Act, banks have to maintain a higher over-all ratio of liquid assets to their demand and time liabilities, i.e., 28 per cent as against 20 per cent currently, as from September 1964. An intensive effort at deposit mobilisation will be necessary for the banks, especially those units which have been working with a highly extended position, in order to be able to fulfil the statutory requirement without at the same time starving demands for productive credit.

38. During May-July 1963, the first three months of the current slack season, bank credit contracted by Rs. 103 crores as against Rs. 42 crores in the corresponding period of the previous slack season. The faster pace of credit contraction together with the recent rate of deposit accretion has improved somewhat the liquidity position of banks.

### Monetary and Credit Policy

39. The pressure on prices and the slow pace of seasonal credit contraction during the 1962 slack season mentioned earlier led the Bank to tighten access to

its accommodation by reducing the quota for borrowing at the Bank rate from 50 per cent of the average statutory reserves of each scheduled bank for the preceding quarter to 25 per cent. Borrowings in excess thereof upto 50 per cent of the average statutory reserves were to be at 1 per cent above the Bank rate, those in excess of 50 and upto 100 per cent of the average statutory reserves at 2 per cent above the Bank rate and those above 100 per cent. at 2.5 per cent above the Bank rate.

40. The possibility of a further pressure on prices owing to the Emergency led to a more stringent policy of credit restraint. Accordingly, effective October 31, 1962, the Bank revised its system of lending rates, reducing the existing tiers to three, and for the first time regulated the availability of credit to banks by fixing a ceiling on such accommodation equal to a bank's average statutory reserves during the previous quarter. Borrowings upto 25 per cent of the statutory reserves were to be permitted at the Bank rate, viz., 4 per cent, another 25 per cent at 5 per cent and the balance at 6 per cent. Borrowings in excess of the basic quota were to be charged a higher rate which in effect was  $6\frac{1}{2}$  per cent. In order to ensure that the genuine needs of industry and trade were adequately met, the revised policy was operated with a large measure of flexibility. Appropriate permissible limits for borrowing were granted to applicant banks, after assessment of a bank's position and taking into account the needs of defence production, essential industries and exports. Banks were called upon to readjust their advances portfolio, to refuse advances which were likely to be used for purposes of hoarding and speculation, and to consider recalling in suitable cases advances against gold, shares and unsecured advances. The policy of granting preferential treatment in respect of Bank's lendings to certain special sectors like small-scale industries and co-operatives was continued.

41. As regards export finance, the Bank introduced in March 1963 the Export Bills Credit Scheme. The scheme widened the range of collateral for such borrowing, banks being permitted to borrow against their demand promissory notes and upon their declarations of holdings of usance export bills, and also cheapened the cost of borrowing slightly, since *ad valorem* stamp duty charges are not payable on demand promissory notes. These advances were to be within the overall limits sanctioned to each bank. A special facility was, however, provided in respect of a bank's holdings of rupee export usance bills. Banks are entitled to borrow against declarations of their holdings of these bills at the Bank rate, over and above the overall permitted level of borrowing at this rate, provided they agree not to charge the exporters interest/discount/commission at a rate higher than  $1\frac{1}{2}$  per cent above the Bank rate.

42. The steady increase in interest rates in the money and capital markets since October 1960 brought to the fore the question of adjusting the Bank rate in line with the prevailing pattern of interest rates. The last revision of the Bank rate was made in May 1957 when the rate was raised from  $3\frac{1}{2}$  per cent to 4 per cent. Effective from the close of business on January 2, 1963, the Bank rate was further raised by  $\frac{1}{2}$  per cent to  $4\frac{1}{2}$  per cent. Simultaneously, the system of lending rates was simplified into a two-tier system by merging the first two slabs. Banks were permitted to borrow in each quarter a sum equal to 50 per cent of their average statutory reserves during the previous quarter at the Bank rate and the remaining 50 per cent at 6 per cent; any borrowing beyond this level was to be charged a higher rate which was fixed at 6.5 per cent.

43. In the past two years or so, banks had progressively raised their lending rates, and the average rate of interest earned on advances by scheduled banks had risen from 5.6 per cent in 1959 to 6.4 per cent in the first half of 1962. In terms of the All-India Inter-Bank Agreement on the Minimum Rate of Interest on Advances, banks which are signatories to the Agreement further stepped up their minimum advances rate from 6 to  $6\frac{1}{2}$  per cent, viz., 2 per cent above the Bank rate, effective January 3, 1963. In April 1963 the State Bank, which previously had not increased its borrowing and lending rates, also raised its general advances rate by 1 per cent—though retaining the rate of 5 per cent for advances against government securities—and its savings and fixed deposit rates by  $\frac{1}{2}$  per cent, thus bringing its interest rates on savings and fixed deposits on par with the maximum rates on deposits fixed under the Inter-Bank Agreement. The long-term lending agencies also raised their lending rates generally by  $\frac{1}{2}$  per cent in keeping with the increase in Bank rate.

44. In line with the general quantitative controls, selective credit controls were also tightened up. The exemption granted by the Bank in respect of advances

against warehouse receipts covering paddy and rice and other foodgrains excluding wheat from the scope of selective credit controls resulted in a progressive rise in advances against warehouse receipts arising out of increasing use of the warehouses, set up by the Central and State Warehousing Corporations, by traders rather than by cultivators, and thus tended to nullify the effect of these controls. The Bank, therefore, issued two directives in January and March 1963, imposing for the first time a minimum margin of 25 per cent on advances against warehouse receipts covering stocks of paddy and rice and other foodgrains excluding wheat, as compared to 35 per cent for advances other than those against warehouse receipts. The directives also prescribed ceiling limits, commencing from January-February 1963 in respect of paddy and rice and from March-April 1963 in respect of other foodgrains, at the aggregate average level of advances in the corresponding period of 1962 inclusive of advances against warehouse receipts. As, however, the inclusion of advances against warehouse receipts within the overall ceilings tended to produce a disproportionate contraction of these advances, the directives were partially modified on May 16, 1963. Ceilings have now been placed on banks' 'other' advances, i.e., other than those against warehouse receipts within the overall ceilings prescribed earlier, the balance being available for advances against warehouse receipts; also banks can make advances against warehouse receipts out of the limits fixed for other advances.

45. In view of the firmness in sugar prices arising from lower output in the 1962-63 season and the spurt in advances to traders, the Bank issued on April 27, 1963 a directive to scheduled banks, prescribing a minimum margin of 45 per cent on credit limits or advances granted to parties other than those manufacturing sugar and on those granted to parties manufacturing sugar in respect of stocks which have left the factory premises and on which excise duty has been paid.

46. As regards oilseeds, the ceiling limits fixed by the Bank for advances against groundnuts lapsed at the end of February 1963, and since then bank advances against groundnuts and other oilseeds are only subject to minimum margin requirements of 45 per cent and 40 per cent, respectively.

47. The impact of the various control measures in operation during the year was generally salutary. Net expansion in scheduled bank credit in the 1962-63 busy season was of the same magnitude (Rs. 203 crores) as in the previous busy season. Though credit expansion against seasonal commodities was somewhat larger in view of the substantial rise in the output of raw cotton, that against non-seasonal commodities was about the same as in the 1961-62 busy season, while the rise in unsecured advances was smaller. Advances against shares, gold and gold ornaments came down in line with the advice given by the Bank. The progress of credit contraction in the 1963 slack season is also satisfactory. For 1962-63 as a whole, the net increase in scheduled bank credit was somewhat smaller, being 7.9 per cent as compared to 10.5 per cent in 1961-62. The modifications in the slab rate system, outlined earlier, generally exercised a restraining influence on scheduled banks' borrowings from the Reserve Bank. The highest weighted average rate on borrowings from the Bank was 5.8 per cent, as against 5.1 per cent during the busy season of 1961-62. The average cost of borrowing by banks from the Reserve Bank during January-June 1963 was 5.4 per cent as against 4.6 per cent during the corresponding half-year of 1962.

48. The keynote of the Bank's credit policy has been to maintain both a general and selective restraint on credit and a pruning down of less essential demands through a combination of quantitative and qualitative measures. The appropriateness of this policy has to be judged in the context of insistent pressures on the supply of available real resources for defence and development. The shortage of real resources and the presence of bottlenecks in various sectors of the economy are factors which not only cannot be overcome by a liberal credit policy but may on the contrary be accentuated by excessive credit expansion. What is needed is so to regulate the supply of central bank credit that the monetary system subserves the overall objectives of economic policy, namely, to keep prices as stable as is reasonably possible without starving productive credit requirements. The cost at which credit can be obtained has also a role to play in this policy. An awareness that credit has its own cost can exercise a healthy influence on its use.

49. Flexibility is the essence of sound monetary policy. In the Indian economy flexibility is needed with reference to two considerations, the changing overall requirements of the economy and the strong seasonal pressures. The policy has to take into account both these in deciding the quantum of credit to be made available and its cost. The slab system of lending evolved over the past three years represents, as it were, a compromise between the obligations of the Bank as the

lender of last resort and its duties as the controller of credit. It is a flexible system permitting of modifications and such modifications have been made from time to time to suit the requirements of the situation.

50. The effectiveness of monetary policy depends to a considerable extent on the direction in which fiscal policy tends. Large deficit financing gives rise to an accrual of deposits in the banking system and enhances its potential for credit expansion. The large quantum of net bank credit to Government which is the overall measure of deficit financing witnessed during the last two years is significant in this context. The bold tax effort in the current year's budget, which aims in a purposive manner at alleviating the pressure of demand should result in a better control of the economy. The task of monetary policy would to that extent be rendered easier.

### Gold Policy

51. A factor affecting the balance of payments of the country has been the continued smuggling of gold. Efforts made by the Government in the past to plug this leakage in foreign exchange receipts had brought only partial results. Government, therefore, decided to take further steps to deal with the situation. The first step was the passage in September 1962 of legislation bringing gold within the purview of the Industries (Development and Regulation) Act, 1951 which enabled the Central Government to take steps to regulate the production, supply and distribution of gold. This was followed by a ban on forward trading of gold effective from November 13, 1962. On January 9, 1963 the Government promulgated the Gold Control Rules providing *inter alia* for the declaration of holdings of non-ornament gold, registration of dealers in gold, a ban on sale and purchase of gold except with permit and the prohibition of manufacture of ornaments of more than 14 carat purity. To administer the Gold Control Rules, a Gold Board was also established simultaneously. Following these developments, official trading came to a standstill but dealer-to-dealer transactions in declared gold commenced from February. As several types of cases of evasion came to light in the operation of the Gold Control Rules, Government amended the Rules towards the end of June 1963. The amended Rules prohibit the production by any refinery of primary gold of a purity of more than 14 carat and provide for compulsory hall-marking of all primary gold produced by refineries, with effect from a date to be prescribed by the Gold Board. These measures were primarily designed to curb smuggling effectively through regulation of transactions in gold inside the country. The measures were also intended to subserve the long-term objective of reducing the demand for gold in the country. In pursuance of this objective, the Reserve Bank advised the banks to recall in suitable cases advances against gold.

52. As a result of these measures, gold prices suffered a set back; the price of the yellow metal which had touched an all-time peak of Rs. 129.90 per 10 grammes on August 29 receded to Rs. 115.75 on October 10. Subsequently, the quotation moved up by November 3 to Rs. 121.65 on continued high level of demand. Thereafter, as a cumulative result of the floatation of gold bonds and the ban on forward trading in gold, the quotation came down sharply to Rs. 86 on November 24, 1962. Due to the emergence of a strong consumer demand at such a low level, there was a recovery and the quotation touched Rs. 115.25 by December 18. It had receded once again to Rs. 102.75 by January 9, 1963 when the Gold Control Rules were announced and official trading came to a standstill until dealer-to-dealer transactions commenced on February 18. The initial trend of dealer-to-dealer quotations was downward, falling from Rs. 102 on February 18 to Rs. 95 by February 28, but with the increase in demand during the marriage season, the quotation moved up to Rs. 118 by May 9, but came down thereafter with the abatement of the demand to Rs. 112 by June 22.

### Balance of Payments

53. The year opened with foreign exchange reserves under strain. During the year 1961-62 they had fallen by Rs. 41 crores despite a net drawing from the International Monetary Fund to the tune of Rs. 58 crores. The greatest amount of pressure was experienced in the quarter April-June 1962, immediately preceding the year 1962-63. A stand-by agreement for U.S. \$100 million was, therefore, entered into and the equivalent of U.S. \$25 million or Rs. 12 crores was drawn in July 1962. During 1962-63, however, not only was the drawing repaid but the reserves rose by Rs. 48 crores. There was thus a favourable swing of the order of Rs. 147 crores.

54. The main reason for this swing is the very much quicker pace of reimbursement receipts under the U.S. Agency for International Development loans amounting to Rs. 90 crores as against Rs. 20 crores in 1961-62. The improvement in exports, partly attributable to transactions on account of Goa, Daman and Diu, was itself of the order of Rs. 35 crores. To some extent the favourable shift in the balance of payments is explained by the behaviour of banking capital which changed from an outflow of Rs. 9 crores in 1961-62 to an inflow of Rs. 10 crores in 1962-63.

55. The last full year for which balance of payments details are available is the financial year 1962-63. The discussion in the remaining paragraphs relating to the balance of payments is, therefore, based on these details. For this period, the position broadly was the same as stated above, though the figures relating to movement in reserves were somewhat different. During this financial year, foreign exchange reserves showed a fall of Rs. 2 crores as against a fall of Rs. 6 crores in the previous financial year. Allowing for net drawings of Rs. 58 crores from the International Monetary Fund in the financial year 1961-62 as against Rs. 12 crores in 1962-63, the pressure on the reserves in 1961-62 worked out to Rs. 64 crores and in 1962-63 to Rs. 14 crores. Various measures taken during the year, namely, the imposition of restrictions on foreign travel, the steps taken to check smuggling, the amendment of the Sea Customs Act and the introduction of Gold Control as well as larger receipts of aid not tied to specific projects, also seem to have made some contribution to the favourable outturn.

56. The deficit on current account, which includes merchandise transactions relating to Goa, Daman and Diu, since April 1962 widened further by Rs. 31 crores from Rs. 303 crores in 1961-62 to Rs. 334 crores. Export earnings improved over the year by Rs. 15 crores but the import bill increased by Rs. 88 crores, with the result that the trade gap widened from Rs. 334 crores to Rs. 407 crores. Receipts from official donations rose from Rs. 46 crores to Rs. 77 crores due to larger grants out of P.L. 480 funds, while payments on account of other invisible transactions declined from Rs. 15 crores to Rs. 4 crores.

57. The whole of the increase in export earnings during the financial year 1962-63 is accounted for by the inclusion of exports from Goa etc. (Rs. 16 crores) in total exports from this year. However, it appears that there was some real improvement during the second half of the year which more than offset the comparative stagnation of exports during the first half. Commodity-wise, the increase in export earnings was shared mainly by jute manufacturers, vegetable oils and oilcakes, and metallic ores; but there were declines in the earnings from coffee, cotton raw and waste, tanned hides and skins and cotton textiles. Exports to East European countries continued to increase, rising from Rs. 65 crores in 1961-62 to Rs. 86 crores in 1962-63, while exports to the rest of the world declined from Rs. 603 crores to Rs. 596 crores.

58. Total import payments of Rs. 1089 crores during the period under review were 9 per cent higher than in 1961-62 but somewhat lower than in 1960-61. Larger Government purchases were responsible for the whole of the increase over the year, private imports having in fact declined by Rs. 12 crores. Government imports of both developmental and non-developmental items recorded increases. On private account, all the categories of imports were held down by a tighter import policy. Pursuant to the Mudaliar Committee's recommendations, a larger proportion of licences were issued on an annual basis than hitherto. But for this, the policy in the year 1962-63 remained essentially restrictive and advantage was taken of increases in internal availabilities to effect cuts in quotas. The import policy for the year 1963-64, announced in April 1963, continued to be restrictive despite a moderate liberalisation for established importers by lifting the ban on about 80 items and the stepping up of foreign exchange allocation for small-scale industries.

59. Higher receipts such as freight reimbursements in respect of P.L. 480 imports helped to reduce the net payments on account of invisible transactions. Investment income payments reflecting the growing foreign debt servicing burden continued to rise; but the payments on account of private donations, insurance, transportation and other miscellaneous services were lower, in part due to the various measures adopted since June 1962 to conserve the country's foreign exchange earnings.

60. The year also witnessed a sizeable inflow of banking capital of Rs. 16 crores as against an outflow of Rs. 13 crores in the corresponding period of the previous year. The lower Bank rate in the U.K. coupled with the continued restraint of monetary policy in India and an unusually active busy season in 1962-63 brought

about the favourable turn. The inflow mainly took the form of an increase in foreign currency liabilities of authorised dealers.

61. A number of changes were effected during the year in exchange control regulations. In December 1962, all Indian nationals holding shares/securities abroad were required to repatriate to India dividends, interest and sale/maturity proceeds of such shares and securities. Similarly, except in the case of accounts maintained prior to September 3, 1939 in non-sterling area currencies and July 8, 1947 in sterling area currencies, holders of foreign currency accounts were allowed to hold abroad balances upto £500 only. In February 1963, the general permission to travellers to carry Rs. 75 per person into or out of the country was withdrawn, though authorised money changers are allowed to sell foreign currency notes upto Rs. 40 per person to travellers and deck passengers to certain neighbouring countries; travellers to Ceylon and Pakistan are also allowed to take Indian or foreign currency notes upto Rs. 20 in value at a time. Foreign transit passengers are, however, allowed freely to convert rupee notes into foreign currency on production of evidence that the rupees were acquired by them by sale of foreign currency notes or travellers' cheques to authorised dealers or authorised money changers. Consequent on the extension of the Foreign Exchange Regulation Act, 1947, together with all rules and regulations thereunder, to Goa, Daman and Diu, all residents of these territories, other than foreign nationals temporarily resident, holding foreign currency balances abroad, other than balances in Burma, Pakistan and Ceylon, were required to declare them to the Exchange Control Department of the Bank before May 14, 1963. Persons who declared their balances before that date are allowed to retain half of such balances to be utilised for approved purposes.

62. The various export promotion measures taken by India during the last few years, including the setting up of the Board of Trade in May 1962, appear to be bearing fruit gradually, though the average annual increase in exports necessary to attain the Third Plan target yet remains to be achieved. During the year, a large number of items was freed from export control, the export duty on tea was abolished and freight concessions on 19 export items were announced. In addition, fiscal incentives in respect of a number of export commodities were announced and a provision of Rs. 3 crores was made in the 1963-64 budget for developing new markets. Similarly, credit facilities for exporters were further enlarged.

63. Nearly half (47 per cent) of India's exports still consists of the three traditional items, namely, tea, jute goods and cotton textiles; their share of the total exports was 52 per cent in the First Plan period. The scope for stepping up these traditional exports is limited for a number of reasons, such as increased competition from other developing countries, low elasticities of demand, trade barriers in the developed countries and increasingly protectionist policies of the developing ones. In addition, costs in these industries have also been on the upgrade. On the whole, their exports face an uphill task in foreign markets. Notwithstanding these difficulties, for an appreciable enlargement of exports in the near future reliance has still to be placed on a steady growth of traditional lines which form the sheet-anchor of the country's exports. Withal, a growing range of new export lines based on a diversifying productive structure will have increasingly to supplement the tradition lines.

64. One of the important constituents of export promotion policy is the various incentive schemes. These schemes have proved to be of help in those cases where expanding output has enabled the industry to reduce its costs and to increase its exports. In some cases, however, the benefits of the schemes which succeeded initially in promoting exports have been eroded by rising costs. Export incentive schemes which seek to offset an adverse trend in the costs of production face heavy odds and may prove to be no more than temporary expedients to ensure a flow of exports that can only be sustained or improved by a direct attempt to hold the cost line. Such schemes will, nevertheless, continue to have a role in export promotion where they can alter the relative profitability of exports and domestic consumption in a context of rising domestic demand. The ultimate success of all exports promotion devices depends on broad policies designed to increase output, restrain domestic consumption, raise efficiency and reduce costs of production and improve the quality of products.

65. At the same time, the industrialised countries have to extend their co-operation by liberalising progressively their trade policies with a view to promoting exports from developing countries, such as India. The benefits under GATT concessions under the "Dillon-Round" to countries like India have been only

marginal. The prospects for a real expansion in the export trade of the under-developed countries now depend upon the results of the proposed "Kennedy-Round" which envisages 50 per cent across-the-board reductions in tariff rates on a number of industrial products, a nil tariff for some of the tropical products like tea, coffee and timber and the removal of non-tariff barriers.

66. Although the main source of strain on the balance of payments is the size of the import payments, it needs to be recognised that since the commencement of planning there has been considerable import substitution. In regard to iron and steel, the impact has been very pronounced; while total supplies have increased, the ratio of imports to total availability has, at the same time, been halved. Tea and sugar machinery are two other items where the process of import substitution has been satisfactory. Thus it is clear that this a field which has great possibilities, but it calls for a considerable measure of research, and adaptation to exploit it. The Emergency with its vast demands for all types of modern equipment for defence has given a new emphasis to this problem.

67. It has already been mentioned that foreign assistance was the major factor in the improvement recorded this year in the balance of payments. External assistance authorised to India in the form of loans, grants and P.L. 480 assistance amounted to Rs. 652 crores, including Rs. 16 crores from the East European countries, in 1962-63 (April-March) as compared to Rs. 425 crores during 1961-62 (April-March). The rate of utilisation also increased significantly and at Rs. 447 crores was higher by about 32 per cent than last year; this included Rs. 33 crores of the assistance extended by the Soviet Union and East European countries. An important reason why the pace of utilisation of foreign aid was quicker in 1962-63, as compared to previous years, was that the share of untied assistance especially from the U.S.A., had increased considerably. According to information available so far, additional assistance of the order of Rs. 143 crores has been authorised during April-June 1963. Moreover, the substantial increase in the quantum of aid authorised during the period was coupled with a softening of terms and conditions. A considerable portion of the loan assistance received during the year came from the U.S. and I.D.A. which carried only a small service charge of  $\frac{1}{2}$  of 1 per cent and no interest payment and is repayable over a period of 40-50 years including a grace period of 10 years.

68. As noticed earlier, the bulk of the assistance authorised during the financial year 1962-63 was extended by the members of the Aid India Consortium. It will be recalled that the Consortium members had promised to make available the assistance of Rs. 1,125 crores for the first two years of India's Third Plan; of this, Rs. 1,042 crores were authorised by the end of April 1963. At the eighth meeting of the Consortium held at Paris in June 1963, the members promised further assistance of the order of Rs. 436 crores for the third year of the Plan (1963-64) and at its subsequent meeting on August 7, 1963, the Consortium increased its total commitment for the year to Rs. 501 crores; this compares with the estimated requirement of Rs. 598 crores. It is encouraging to note that the Consortium members have recognised the need for a larger proportion of aid being made available in the form of non-project assistance with as much of the aid as possible in the form of grants or long-term loans at low rates of interest. While a larger component of untied aid is of help in securing raw materials in the cheapest markets and ensuring a fuller working of existing capacity and generally in the flexible adaptation of the investment programme, it places a greater responsibility on the Government, to utilise the untied aid for such augmentation of production as would be of help to the balance of payments situation.

69. Besides the assistance extended by the foreign governments and international institutions, efforts continued to be made to encourage the flow of private capital from abroad. Consents for issue of capital to non-residents, which broadly reflect the investment intentions, granted during 1962 were higher at Rs. 47 crores as against Rs. 34 crores and Rs. 19 crores in 1961 and 1960, respectively. The services of the Indian Investment Centre are being increasingly utilised by foreign as well as Indian entrepreneurs seeking foreign collaboration agreements. A Committee has also been set up by Government to evolve some definite guide lines for policies in regard to foreign collaboration agreements.

### Conclusion

70. The foregoing review of the developments in the Indian economy during 1962-63 indicates the kind of problems the Emergency has created for the country. The economy has now to adjust itself on a long-term basis to the needs of an enhanced defence budget and of continued development without which a large defence effort cannot be sustained. Whatever the measure of external assistance



that may be available, the country has to endeavour to build up the maximum defence potential that may be practicable out of its own resources, in addition to maintaining the tempo of development.

71. In the sphere of industry, bottlenecks do arise from time to time but with experience and better planning their incidence can be reduced and brought under control. It is in sectors like agriculture and exports, however, that the country has yet to reach assured and high rates of growth. These sectors remain vital to the economy.

72. Agricultural output is almost the sole or the overwhelmingly important source of income for the major part of the population. No significant increase in the general standard of living can come about unless the rate of development in the agricultural sector is much higher than it is now. Further, as agriculture supplies the preponderant proportion of wage goods to the non-agricultural sector and as a large part of industrial raw materials and exports is still based on agriculture, variations in agricultural output have an important impact on the cost of living and industrial costs in general and on exports in particular.

73. The enhanced needs of the economy for defence and development demand every ounce of effort for resource mobilisation. Every sector of the economy has to make its contribution. Since, however, the available surplus for such purpose in the agricultural sector is still very low, the major part of the contribution has to come from the rest of the economy. There is, however, a limit beyond which the non-agricultural sector cannot supply additional resources without endangering the incentives to save and invest in this sector. There is, therefore, at this point, no substitute for a larger and more vigorous drive on the part of the State Governments to mobilise resources from the agricultural sector.

74. The use of the tax instrument in a purposive and pervasive manner has to be supported by a resilient monetary policy. Control over the overall volume of credit operated according to the long and near-term requirements of the economy has to be exercised through a combination of devices to regulate the cost and availability of credit and direct regulation of the volume of credit in sensitive sectors. This is a task in which flexibility in the sense of a more frequent use of established practices of control as well as of innovations to suit the changing needs of the situation have both to play a part. Over the year, the Bank has operated its technique of the slab system of lending rates coupled with selective reduction of the cost of credit for particular sectors, and the apparatus of selective credit control to provide the requisite flexibility in the Bank's policy.

75. Apart from the actions of the central bank, a good deal depends upon the way in which the rest of the banking system itself responds to the needs of the situation. By and large, the initial response has been satisfactory; but more needs to be done. Efforts at deposit mobilisation have to be stepped up further. Innovations whether for this purpose or for the purpose of making the best possible use of available bank resources have to be tried. There is evidence that the Indian banking system is gearing itself to these tasks. In the difficult times ahead the role of the banking system will remain crucial.

## II. DEVELOPMENTS IN COMMERCIAL BANKING

76. This and the subsequent two sections are concerned with institutional developments in commercial and co-operative banking. In the field of commercial banking, the Bank continued its efforts to consolidate and strengthen the banking structure in a variety of ways, particularly through its system of supervision and periodic inspection. The process of weeding out uneconomic and inefficient units through their merger or amalgamation with stronger units made further progress during the year; and the emphasis in branch licensing policy was increasingly laid on encouraging the opening of branches in areas hitherto lacking banking facilities. Legislation was enacted to strengthen the capital base and the liquidity of banks, to liberalise Reserve Bank credit to the export sector and to enable the Reserve Bank to collect credit information from banks. Measures were also taken to liberalise medium-term finance for exports from the State Bank of India and the Refinance Corporation for Industry. The Bank continued to play an active part in rendering financial and other assistance to the specialised institutions providing term finance to industry in order to enable them to improve their usefulness and to function more effectively.

### Banking Legislation

77. Last year's Report had stressed the imperative need for banks to augment their capital and to improve their liquidity, for the proportion of each to deposits had recorded an almost continuous decline in the past decade or so. The Banking Companies Act was amended to make it obligatory for all banks to build up their capital funds. Prior to this amendment, Indian banks were required to transfer to reserves not less than 20 per cent of their published profits until the reserves together with any premium on shares equalled the paid-up capital; but no such statutory obligation was imposed on the foreign banks. Under the Banking Companies Amendment Act, 1962—which came into force on September 16, 1962—Indian banks have to continue to transfer to the reserve fund, even after it equals the paid-up capital, a sum not less than 20 per cent of the profit disclosed in the profit and loss account before any dividend is declared. Banking companies incorporated abroad are now required to deposit with the Reserve Bank each year an amount calculated at 20 per cent of the annual profits arising from all business transacted through their Indian branches. However, an exemption from the above stipulations may be granted for a specified period to both Indian and foreign banks, whose capital and reserves, or deposits in lieu of them, are deemed to be adequate in relation to their deposit liabilities. Further, the Amendment Act has also raised the minimum paid-up capital for a new Indian banking company to Rs. 5 lakhs from the limit of Rs. 50,000, which was fixed in 1936 and which in the light of changes that have taken place subsequently was considered to be too low.

78. In regard to the liquid assets to be maintained by banking companies in India, Section 24 of the Banking Companies Act, 1949 was also amended requiring all banks to maintain at the close of business on any day a minimum amount of liquid assets (comprising till money, gold, excess over statutory reserves, balances with the State Bank of India and with notified banks, and unencumbered approved securities) equal to not less than 25 per cent of their demand and time liabilities in India, exclusive in the case of scheduled banks of the balances maintained by them in terms of Section 42 of the Reserve Bank of India Act and in the case of non-scheduled banks of the cash or balances maintained by them in terms of Section 18 of the Banking Companies Act. The amended Section 24 would come into force two years after the commencement of the Banking Companies (Amendment) Act, 1962, i.e., in September 1964. Simultaneously with the upward revision of the minimum liquid assets, the provisions concerning the maintenance of cash reserves by banks were amended to reduce somewhat the amount of reserves to be so kept. Section 42(1) of the Reserve Bank of India Act was also amended so that a scheduled bank would have to maintain with the Reserve Bank an average daily balance of 3 per cent of its total time and demand liabilities in India as against 5 per cent of demand and 2 per cent of time liabilities previously required. As a result of this change, which became effective on September 16, 1962, the statutory minimum balances of scheduled banks with the Reserve Bank were reduced to Rs. 65.8 crores during the week ended September 21, 1962, thus freeing about Rs. 6 crores of the cash reserves. Furthermore, the Reserve Bank has been empowered to vary the reserve requirements of scheduled banks between 3 per cent and 15 per cent of demand and time liabilities, thus replacing the existing provision which enabled the Bank to raise the statutory balance to a maximum level of 8 per cent and 20 per cent of time and demand liabilities, respectively. The cash ratio of non-scheduled banks was also changed by an amendment to Section 18 of the Banking Companies Act so as to require them to maintain with themselves or in current account with the Reserve Bank or its agencies, cash or balances to the extent of 3 per cent of their total demand and time liabilities in India, as against 5 per cent of demand and 2 per cent of time liabilities hitherto. The effect of these amendments is to split up the overall liquidity requirement of scheduled banks into (i) statutory balances maintained with the Reserve Bank and (ii) other liquid assets including unencumbered approved securities. This segregation was intended to minimise the impact on security holdings of banks of any action to raise reserve requirements by ensuring that with every increase in reserve requirements the overall liquidity obligations were also correspondingly raised. When the amendment comes into force in September 1964, the overall liquidity ratio of scheduled banks (comprising cash on hand and balances with the Reserve Bank of India and other liquid assets) can be varied from 28 per cent to 40 per cent; in the case of non-scheduled banks, the ratio will be 28 per cent.

79. The other provisions of the Banking Companies Amendment Act vest power in the Reserve Bank to refuse a licence or to cancel the licence already granted to any bank incorporated outside India, if it appears

to the Bank that the functioning of such a bank in India will not be in the public interest, amend Section 35B so as to make the provisos of Sections 309(3) and 387 of the Companies Act, 1956 inapplicable to banking companies, so that it is no longer necessary for them to obtain permission of the Government of India for payment of remuneration to the Chief Executive Officer or other directors and amend Section 51 which makes the provisions of Section 35A relating to the issue of directives by the Reserve Bank to banking companies in general applicable to the State Bank of India and its subsidiaries. The Act also provides that Sections 37 and 44B relating to suspension of business and sanctioning of schemes of arrangement with creditors or shareholders shall not apply to these banks.

### Export Finance

80. In the context of the urgent need to boost the country's exports, the Reserve Bank began to accord preferential treatment to the export sector in the matter of credit facilities, thus enlarging the scope of the preferred sectors to include exports, besides small-scale industries and co-operatives. The Reserve Bank of India (Amendment) Act which came into force on September 15, 1962, empowers the Bank under Section 17 of the Act to extend export finance upto a period of 180 days as against 90 days hitherto. Following the amendment to Section 17 of the Act, the Bank introduced an Export Bills Credit Scheme, effective March 23, 1963, under which advances are made available to all licensed scheduled banks (including those which do not require a licence), which are authorised dealers in foreign exchange, against their promissory notes repayable on demand and upon their declarations of holdings of eligible usance export bills drawn in foreign currencies or Indian rupees and purchased/negotiated/discouted by them. The minimum amount to be borrowed by a bank at a time has been fixed at Rs. 1 lakh. Advances under the Scheme will be within the overall ceiling limit fixed for the individual bank's borrowings from the Reserve Bank. However, a bank could borrow under the Scheme against declarations of holdings of eligible usance export bills in rupees at the Bank rate over and above its permitted level, provided it agrees to charge the exporter interest/discount/commission at a rate not exceeding  $1\frac{1}{2}$  per cent per annum over the Bank rate on such export bills, i.e., currently at a rate not exceeding 6 per cent. The facility under the Scheme in respect of rupee export bills will be in force in the first instance upto September 30, 1963. Total limits sanctioned and the advances availed of upto the end of June 1963 amounted to Rs. 10.10 crores and Rs. 3.21 crores, respectively. The advances outstanding under the Scheme, touched their highest level on May 9, 1963, when they stood at Rs. 1.06 crores. There were no advances outstanding at the end of the year.

81. The question of liberalising and improving credit facilities for exporters, particularly those engaged in developing overseas markets for the newer types of exports like engineering goods, and offering medium-term credit to importers abroad on terms comparable to those offered by exporters elsewhere, was examined by the Study Group on Credit Facilities for Exporters, which reported in April 1961. In pursuance of the recommendation of this Study Group, the State Bank of India Act was amended authorising the bank to extend term credits to exporters or persons engaged in such business or trade, as may be specified by its Central Board, and to hold any negotiable instrument relating to or arising out of exports from India with a remaining maturity of more than six months, as collateral security for its loans. In implementing another recommendation of the Study Group, the Refinance Corporation for Industry launched, effective January 1, 1963, a scheme for refinancing medium-term export credits, i.e., credits for periods exceeding six months but not above five years, granted to exporters in the private sector by approved credit institutions which are also authorised dealers in foreign exchange. Pre-shipment credit will also be available if combined with post-shipment credit. This facility is available for exports of capital or engineering goods approved by the Corporation.

### Industrial Finance

82. With the rising tempo of industrial activity and the increased stringency in the money market, there was an impressive growth in the scale of operations of, and the magnitude of financial assistance provided by the major specialised institutions which cater to the needs of industry for term-finance, viz., the Refinance Corporation for Industry, the Industrial Finance Corporation of India, State Financial Corporations and the Industrial Credit and Investment Corporation of India. To meet the growing credit demands, all these institutions augmented their resources during the year by resorting to the capital market and/or by borrowing from the Government and the Reserve Bank; some of them also received sizeable assistance from abroad. In particular, the scope of functions of the

Refinance Corporation for Industry and the State Financial Corporations was expanded.

83. *Refinance Corporation for Industry.*—With the increasing tightness in the money market, there was a marked expansion in the financial operations of the Refinance Corporation for industry. During the year, the Corporation sanctioned 105 applications for Rs. 15.70 crores as against 56 applications for Rs. 9.30 crores in 1961-62. Disbursements too were larger, viz., Rs. 10.58 crores, as compared to Rs. 6.52 crores in 1961-62. The total sanctions and disbursements now stand at Rs. 36.16 crores and Rs. 20.64 crores, respectively. Various industries have been assisted, viz., cotton and woollen textiles, sugar, mechanical and electrical engineering, automobiles, basic metal industries, chemical and chemical products, synthetic fibres, paper, dyestuffs, coal mining and hotels. The Corporation borrowed a further Rs. 9.5 crores from Government during this year. The pace of recent sanctions indicates that the balance of Rs. 9.5 crores which is as yet unutilised out of the Rs. 26 crores earmarked for the Corporation would need to be drawn sooner than was foreseen even a few months ago. Government have been apprised of the position and of the need to provide the Corporation with adequate funds so that it can continue to render useful service.

84. Even more important than the increase in operations was the considerable expansion of the scope of the Corporation's functions to bring it into more intimate relationship with developmental efforts at two crucial points. Reference has been made earlier to the scheme of refinancing medium-term export credits launched by the Corporation in January 1963. The other new line of activity entrusted to the Corporation is the administration of the Guarantee Scheme devised by the Government of India to facilitate the utilization of the loan of \$35 million from the International Bank for Reconstruction and Development for the coal industry in the private sector. Earlier the Corporation had agreed to extend its refinancing facilities to banks etc. giving rupee term loans to mining units which were eligible for this loan. But certain difficulties seemed to hold back some banks from assisting this industry despite the facility for refinance. The new Guarantee Scheme, which came into force from April 9, 1963, confers a substantial protection on the banks, as losses arising in these advances will be shared between them and Government in the ratio of 35 : 65.

85. *State Financial Corporations.*—The outstanding loans and advances of the State Financial Corporations (including the Madras Industrial and Investment Corporation) rose in the year ended March 1963 by a little over Rs. 8 crores. In pursuance of the amendments to the State Financial Corporations Act which came into effect from April 16, 1962, the facility to borrow from the Reserve Bank for periods upto 18 months and from the Refinance Corporation for Industry have begun to be utilised. Limits of Rs. 2.4 crores were sanctioned by the Reserve Bank to four corporations and Rs. 35 lakhs were outstanding at the end of June 1963. The Refinance Corporation also advanced medium-term credit of Rs. 97 lakhs to two corporations and Rs. 141 lakhs to the Madras Industrial and Investment Corporation. Four other corporations also augmented their resources by bond issues. The enhanced limit, viz., Rs. 20 lakhs upto which the corporations can now assist the public limited and co-operative concerns appears to have been utilised in a number of States and this is reflected in an appreciable rise in the loans sanctioned and disbursed during the year. The Bank, in pursuance of one of the recommendations of the Eighth Conference of the representatives of the State Financial Corporations, constituted a Working Group in June 1962, to consider the steps to be taken to improve the usefulness of the corporations and to make them function more effectively. The investigations of this Group are nearing completion.

86. *Industrial Finance Corporation of India.*—During the year ended June 1963, the outstanding loans and advances of the Industrial Finance Corporation of India recorded an appreciable rise of Rs. 10 crores. The Corporation also made further progress in (i) developing its underwriting operations jointly with other institutions or brokers, besides approving for the first time direct subscriptions to the stocks and shares of industrial concerns which were facilitated by an amendment of Section 23(1)(f) of the Corporation's Act in December 1960, (ii) guaranteeing deferred payments in respect of machinery and equipment to be imported from abroad and (iii) guaranteeing foreign currency loans. The Corporation augmented both its rupee as well as foreign currency resources, the former through the issue of 4½ per cent Bonds 1974 for Rs. 6 crores and the latter through a loan of 50 million NF (approximately Rs. 5 crores) from the Banque Française Du Commerce Extérieur of Paris, for making sub-loans to eligible industrial

concerns in need of foreign exchange and an allocation of yen credit of approximately Rs. 1 crore from the Government of India out of the yen credit available with them.

**87. Industrial Credit and Investment Corporation of India:** The operations of the Industrial Credit and Investment Corporation of India recorded a striking advance in the financial assistance approved as well as disbursed during 1962. The total assistance approved during the year of Rs. 19.60 crores was more or less evenly distributed as between rupee assistance—in the form of loans, underwriting and direct subscriptions to shares and debentures—and foreign currency loans. On the resources side, the Corporation negotiated a fifth line of credit of \$30 million from the World Bank and another line of credit of DM 20 million, besides the one for DM 5 million under negotiation from the Reconstruction Loan Corporation of the Federal Republic of Germany.

### **Financing of Small-scale Industries**

**88.** Efforts are continuously being made to augment the flow of commercial bank credit to the small-scale industrial sector, through liberal credit facilities from the Reserve Bank and the Government guarantee for sharing losses on advances granted to small-scale industrial units. But the problem is so vast and difficult that the progress in the direction of providing adequate finance for this sector has necessarily been slow. The Bank's policy of granting preferential treatment to this sector, notwithstanding a tighter monetary policy, has been referred to earlier. In addition, the Bank is keeping in touch with developments regarding the setting up of Small Industries Corporations and Industrial Development Corporations in several States with a view to bringing about co-ordination of activities between these and other institutions. Further, with a view to assessing the nature and extent of financial, technical and marketing problems of engineering industries, the Bank in collaboration with the Jadavpur University conducted a comprehensive survey of small engineering units in Howrah.

**89.** The Bank has been administering the Government of India's scheme for the guarantee of advances granted by specified banks and financial institutions to small-scale industries. On completion of two years of the experimental operation of the scheme in June 1962, the Bank submitted a comprehensive review of its working. The scheme has now been placed on a permanent footing and its area of operations extended from January 1963, from 52 selected districts to the entire country. During the year 1962-63, the scheme made further progress; guarantees issued under it aggregated Rs. 9.7 crores as against Rs. 6.3 crores during 1961-62, the total outstanding guarantees as on June 30, 1963 being Rs. 9.80 crores. Although applications for guarantee continued to be received largely from the State Bank, other institutions have been increasingly availing themselves of this facility.

**90.** The State Bank of India's scheme for the co-ordinated provision of credit facilities to small-scale industrial units, continued to function satisfactorily during the year. The number of units assisted, limits sanctioned as well as outstanding, recorded increases. The subsidiaries of the State Bank have also made good progress in helping small units. The scheme of providing medium-term finance to small units and of granting assistance to units under the Guarantee Scheme entered into with the National Small Industries Corporation made, however, only a limited advance.

### **Strengthening the Banking Structure**

**91.** The process of strengthening the banking structure through a process of merger and amalgamation of the weaker units with stronger institutions, which received a new impetus and urgency following the failure of certain banks in 1960, was continued during the year. During 1962-63, three banks, of which one was a scheduled bank, were amalgamated with two other scheduled banks, and in addition, the assets and liabilities of six non-scheduled banks were taken over by three scheduled banks, raising the number of banks merged and/or amalgamated since September 1960 to 36 and those whose assets and liabilities were taken over by other banks to 10. In addition, a non-scheduled bank was granted a moratorium, in order to facilitate its reconstruction and amalgamation in terms of Section 45 of the Act, thus, bringing the number of banks to which moratorium has been granted so far to 40. As a part of the process of integration, as well as to effect organisational improvements and economies by co-ordinating the banking services provided by subsidiaries of the State Bank operating within the same State, the State Bank of Bikaner took over the assets and liabilities of the State

Bank of Jaipur as of January 1, 1963. The amalgamated unit is functioning under the name of State Bank of Bikaner and Jaipur. A number of uneconomic units were weeded out by allowing them to go into liquidation. Certificates under Section 44(1) of the Banking Companies Act were issued to six non-scheduled banks to go into voluntary liquidation, and another bank which was earlier granted a moratorium was sanctioned a scheme of arrangement and was ordered to be dissolved.

92. In pursuance of the objective of establishing sound banking practices in the country through the system of annual inspection of banks, 47 scheduled and 105 non-scheduled banks were inspected during the year in terms of Section 35 of the Banking Companies Act. Among these, the inspection of three non-scheduled banks was undertaken in connection with the issue of a certificate to two banks for voluntary winding up of business under Section 44(1) of the Act and to the court in respect of a scheme of arrangement between a banking company and its creditors under Section 44B of the Act. In addition, the scrutiny of the affairs of 23 banks was carried out for other purposes such as determining the price of shares of a bank on the basis of intrinsic or break-up value, the issue of a certificate under Section 49B, assessing the progress made in the eradication of undesirable features, enquiring into the causes of the erosion in deposits, etc.

93. By way of follow-up of the inspections carried out during the year, periodical progress reports, showing the corrective action taken to remedy the defects pointed out in the course of the inspection, were called for from 48 banks during the year. There are at present 124 banks submitting monthly progress reports and 83 banks submitting quarterly progress reports. In suitable cases informal discussions with representatives of banks were held at which stress was laid on taking expeditious steps for removing the major defects in the working of the banks concerned. In cases where a stricter control over the affairs of a bank was called for, suitable directions were issued to them for compliance and in certain cases observers were also deputed to attend the Board/Committee meetings of banks as also to carry out a periodical scrutiny of their current affairs. The development and maintenance of sound banking traditions and techniques by banks themselves is most important for the growth of a sound banking system and in this respect external inspection is no substitute for internal efficiency and integrity. The chief executives of banks by virtue of the key position they hold, have a vital role to play in shaping the code of banking ethics and perfecting the tools and techniques employed in their institutions. The small and the medium-sized banks have special difficulties and problems of their own and in recognition of these, the Reserve Bank organised seminars for the chief executives of small and medium-sized banks so as to provide them with opportunities for discussion and exchange of views on their 'live' problems, not only among themselves but also with the officers of the Reserve Bank. Details of these seminars are given in Section IV.

94. During the year, fourteen banks were granted licences to conduct banking business in India. Of these, only one bank—a foreign bank—applied for a licence to commence banking business in this country while the rest were Indian banks which have been transacting banking business. One Indian bank which was carrying on banking business in the country was refused a licence while the licences issued to two banks were cancelled: one of these was a foreign bank, which was ordered to be wound up, and the other, an Indian bank, had transferred its assets and liabilities to another bank. At the end of the year, the total number of licensed banks and those to which licences have so far been refused or cancelled stood at 77 and 154, respectively.

95. During the year, two banks were included in the Second Schedule to the Reserve Bank of India Act, while three banks were excluded from it—two Indian banks as a sequel to their amalgamation and a foreign bank on the cancellation of its licence to carry on banking business.

### **Branch Expansion Policy and Programmes**

96. The branch licensing policy of the Bank has been directed over the years so as to regulate the opening of new offices of banks in such a manner as to assist the sound development of the banking system and to enable it to meet the growing requirements of the country. Although the development of branch banking in the country during the past decade, as judged by the substantial increase in the number of office of banks, has been satisfactory, the expansion of credit facilities in areas not hitherto served by banks, has not been adequate. There was, therefore, an urgent need, in the public interest, for the extension of banking facilities in areas not served by any commercial bank. The opening of new branches in such

areas as also in suburban areas would, it was felt, not only assist mobilisation of deposits but would also provide better service to the community. In considering applications for opening new offices, special stress is now laid on the provision of banking facilities at unbanked centres in addition to places where banking facilities can be further expanded with advantage to the economy.

97. Reference was made in last year's Report to the second phase of the Branch Expansion Programme of the State Bank of India and its subsidiaries during the quinquennium July 1, 1960 to June 30, 1965 under which the State Bank and its subsidiaries are to open 145 and 155 offices, respectively. The expansion programme of the State Bank of India and its subsidiaries showed considerable progress during the year. The State Bank of India opened 76 branches (including 16 opened outside the expansion programme) and its subsidiaries opened 148 branches (including 18 opened outside the expansion programme) from July 1, 1960, i.e. the date from which the second phase of the expansion programme of the State Bank of India commenced, to the end of June 1963. The total number of offices including pay offices of the State Bank of India and its subsidiaries as at the end of June 1963 now stands at 1,040 and 541, respectively.

98. The other scheduled banks (i.e. other than the State Bank of India and its subsidiaries) also made good progress in the opening of new offices. Besides an addition of 38 offices following the merger and/or taking over of the assets and liabilities of non-scheduled banks by scheduled banks and of 33 offices as a result of the inclusion of banks in the Second Schedule, other scheduled banks opened as many as 140 new offices during the year as against 145 offices opened in the previous year. Besides, five new offices were opened abroad. On the other hand, following the nationalisation of banking in the Union of Burma effective February 23, 1963, seven offices of five Indian banks operating in that country were taken over by the Government of Burma. The statutory deposits of Kyats 5 lakhs (Rs. 5 lakhs) of each of these banks have since been returned and claims for compensation have been lodged in respect of the properties owned by them. Thus, the total number of offices of all scheduled banks rose over the year by 314 to 4,806; of the new offices opened during the year, 57 were located in places which were hitherto not served by banks. In addition, there were nearly 550 offices of non-scheduled banks functioning in different parts of the country.

#### Miscellaneous

99. *Clearing Houses:* In order to quicken the flow of banking transactions as well as to widen the range of banking facilities provided by banks, as a part of the larger programme of stimulating the growth of the banking habit in the country, the Reserve Bank had suggested that the State Bank and its subsidiaries should establish clearing houses at centres with a population of 1 lakh and over. In pursuance of this suggestion, the State Bank and its subsidiaries opened clearing houses at five more centres during the year, raising the total number of clearing houses in the country from 69 to 74, of which 56 are managed by the State Bank and another 10 run by its subsidiaries. Besides opening fresh clearing houses, clearing facilities both at the new and old centres are being thrown open to a larger number of banking institutions. At all the seven centres managed by the Reserve Bank and at 35 centres administered by the State Bank, the post office savings banks were admitted as sub-members in order to popularise the post office savings banks. Another noteworthy feature was the amendment of the rules of the clearing houses managed by the State Bank and its subsidiaries to provide for the admission of all non-scheduled banks, whether licensed or unlicensed, as sub-members. prior to the amendment of the rules, unlicensed non-scheduled banks could not be enrolled as sub-members of the clearing house.

100. *Credit Information:* Banks in India do not normally exchange information with one another regarding credit facilities sanctioned by them to their constituents. In the absence of information regarding the aggregate amount of credit obtained by a constituent from all banking companies, it was possible for a constituent to obtain financial accommodation from a number of banks to an extent not warranted by his credit-worthiness. To enable the banks to ensure that the grant of credit to individual parties was not excessive or beyond the safety limit, it was considered desirable to provide a machinery to pool the information relating to the total banking commitments of their constituents. With this end in view, the Reserve Bank of India Act, 1934 was amended during the year so as to empower the Reserve Bank to collect credit information from individual banks and notified financial institutions and to supply to them on application the relative information in a consolidated form. Under the newly-introduced Section 45C(1) of the Reserve Bank of India Act, all scheduled and non-scheduled banks have been directed to submit to the Reserve Bank quarterly statements relating to credit information, in respect of

secured limits of Rs. 5 lakhs and above and unsecured limits of Rs. 1 lakh and above, beginning from the quarters ended September and December 1962, respectively. Notified financial institutions have also been directed to submit the above quarterly statements commencing from March 1963. Credit information based on the statements is being furnished to banks which apply for it.

101. *Agreements with Pakistan:* At the meeting of the Implementation Committees set up under the Banking and Movable Properties Agreement, held in March 1962 in New Delhi, the Pakistan Government had agreed to look into the cases of Indian banks which continued to be subjected to restrictions in respect of their assets in Pakistan. The Pakistan Government, however, do not appear to have taken any steps to mitigate the hardship caused to Indian banks. They have not been permitted by the authorities concerned in Pakistan to draw upon their accounts with the State Bank of Pakistan. The matter was referred to the Government of India in October 1962.

102. As regards the transfer of accounts on a matching basis from the non-agreed areas, of the total number of accounts received for verification by the two countries, those amounting to Rs. 8.74 lakhs were treated by the Reserve Bank as eligible for transfer to Pakistan while those amounting to Rs. 15.04 lakhs were treated as eligible for transfer to India by the State Bank of Pakistan. 117 accounts amounting to Rs. 3.25 lakhs were under verification of the Reserve Bank of India and 479 accounts aggregating Rs. 30.15 lakhs were under verification of the State Bank of Pakistan.

103. The Governments of India and Pakistan further decided to consider the question of transferring (i) balances in bank accounts in individual, joint or proprietary names of contractors, the documents relating to which were previously pledged with Government departments but were released subsequently, and (ii) shares of evacuee teachers of private educational institutions in the conjoint accounts of provident funds kept with commercial banks in the *en bloc* transfer areas in Pakistan, i.e. the erstwhile-West Punjab Province and Bahawalpur State. A press note was issued by the Reserve Bank of India calling for applications in the prescribed form in respect of the accounts under the above categories before September 15, 1962. Applications were accordingly received from certain non-Muslim evacuee contractors for transfer of their security deposits from Pakistan to India; an application from a non-Muslim evacuee teacher of a private educational institution was also received by the Reserve Bank of India for transfer to India of his share in the conjoint account of his provident fund kept with a commercial bank in Pakistan. The above accounts have been referred by the Reserve Bank of India to the State Bank of Pakistan for verification and transfer to India. No such list of accounts has so far been received by the Reserve Bank of India from the State Bank of Pakistan.

104. In terms of Section 13(3) of the Pakistan Banking Companies Ordinance, which was promulgated by the Government of Pakistan on June 7, 1962, foreign banks operating in Pakistan were required to maintain by way of paid-up capital and reserves an aggregate amount of Rs. 20 lakhs or 5 per cent of the total demand and time liabilities, whichever is higher. The entire amount was required to be brought from outside the country and deposited with the State Bank of Pakistan within six months from the date of the Ordinance. As the provisions would cause considerable hardship to Indian banks operating in Pakistan, the matter was taken up with the Government of Pakistan, which has since exempted banks from the operation of Section 13(3) of the Ordinance for a period of one year with effect from December 7, 1962.

### III. DEVELOPMENTS IN CO-OPERATIVE BANKING

105. From its very inception, the Bank has been according preferential treatment to the agricultural sector and has made special efforts to revitalize and strengthen the co-operative machinery so as to facilitate and regulate the flow and expansion of credit to the sector. Two major developments in the sphere of agricultural finance during the year 1962-63 were the liberalisation of the Bank's lending policy to enable it to provide reimbursement finance in respect of medium-term loans granted by co-operatives and the establishment of the Agricultural Refinance Corporation to further reinforce the institutional machinery for purveying long-term credit.

#### Bank's Co-operative Credit Policy and Procedure

106. Hitherto, medium-term loans granted by the Reserve Bank had to be utilised entirely for making fresh loans and not, even in part, for reimbursement



of the loans already advanced by the co-operative banks. This gave rise to certain operational difficulties, owing to which the banks were not able to avail of the full amount of medium-term loans sanctioned to them by the Bank. In pursuance of the recommendation of the Standing Advisory Committee, the Bank decided to extend to medium-term loans the refinancing facility which is available in the case of short-term loans. But, since a substantial part of the finance for medium-term loans was to be made available by banks from their own resources, and the funds from the Reserve Bank are supplemental in character the reimbursement facility was allowed to apex co-operative banks to the extent of 75 per cent of the fresh medium-term loans made by them over and above the level of their advances obtaining as on June 30, 1962, and the apex banks in turn reimbursed 75 per cent of the loans advanced by central co-operative banks over the basic level of the latter's own advances as on June 30, 1962. It was subsequently felt that such of the banks as had in the past granted medium-term loans from their own resources on a large scale and were unable to increase or maintain such levels of lending should not be handicapped by the new procedure. The Reserve Bank, therefore, agreed to make suitable relaxations in the reimbursement formula in genuine cases, so that its immediate application did not result in a reduction, as compared to previous years, of the quantum of medium-term loans made by the Bank to co-operative banks. Further, allocations of likely advances from the Reserve Bank were made for each of the State co-operative banks and communicated to them early in the year, in order to enable them to formulate in advance suitable programmes for the issue of medium-term loans. The allocations for 1962-63 aggregated Rs. 15.60 crores as against Rs. 9.56 crores sanctioned to State co-operative banks during 1961-62.

107. In regard to the provision of short-term loans also, the need for certain changes in policy and procedure was felt. The benefit of additional credit limits recommended by the Committee on Co-operative Credit and accepted by the Bank was restricted to only such 'A' and 'B' class central co-operative banks which obtained accommodation on the strength of their second signature and was not available to banks borrowing under Government guarantee. In order to remove this anomaly it was decided to extend the benefit of additional credit limits, with effect from July 1, 1963 to 'A' and 'B' class banks which are required to borrow under the guarantee of the State Governments.

108. The quantum of finance provided by the Bank to State co-operative banks went up substantially during the year. Credit limits for short-term purposes at the concessional rate of 2% below the Bank rate aggregated Rs. 163.95 crores as against Rs. 138.18 crores during the previous year (including special limits sanctioned under the Package Programme); of the total, more than two-fifths (Rs. 69.46 crores or 42%) were sanctioned against the guarantee of the State Governments, a little over one-half (Rs. 83.89 crores or 51%) against the security of co-operative paper bearing two good signatures, one of which was that of a State co-operative bank and the other of an affiliated district central co-operative bank and the balance (Rs. 10.59 crores or 7%) against the pledge and repledge of Government or other eligible securities. Drawals during the year against these limits aggregated Rs. 203.38 crores, but the repayments were also large; in the result, loan outstandings were only Rs. 9.07 crores higher than on June 30, 1962. In addition, a short-term credit limit of Rs. 1.90 crores at the Bank rate was also granted to a State co-operative bank for meeting the working capital requirements of sugar factories, and loans to the extent of Rs. 11.53 crores at the Bank rate were extended to two banks for their normal banking operations against the pledge of Government securities.

109. During the year, an amount of Rs. 15.60 crores was set apart from the National Agricultural Credit (Long-term Operations) Fund for the purpose of advancing medium-term loans for agricultural purposes to State co-operative banks. However, on account of the change in procedure introduced during the year by which co-operative banks were encouraged to utilise their own resources also in addition to drawals of medium-term loans from the Reserve Bank by reimbursement, in medium-term advances, there was some time lag in the receipt of applications from the State co-operative banks and the sanctioned amounts could not be fully availed of by them before the end of the year. The medium-term loans sanctioned by the Bank during the year aggregated Rs. 9.31 crores as against Rs. 9.56 crores for 1961-62; the utilization was Rs. 4.18 crores as against Rs. 7.39 crores in the previous year. The apparent shortfall is due to the initial effort which the banks had to make to adapt themselves to the new procedure. It is expected that the performance of the banks in this regard would be better in

subsequent years. As regards medium-term loans at Bank rate to enable cultivators to purchase shares in co-operative sugar factories, the amount availed of by one State co-operative bank during the year was Rs. 9 lakhs as compared to Rs. 10 lakhs drawn during 1961-62.

110. In the sphere of handloom finance, there was a noticeable broadening of the demand for accommodation under Section 17(2)(bb) of the Reserve Bank of India Act, which is made available at the concessional rate of  $1\frac{1}{2}$  per cent below the Bank rate for financing the production and marketing activities of handloom weavers' co-operative societies. Credit limits sanctioned for this purpose amounted to Rs. 5.16 crores as against Rs. 3.11 crores in 1961-62. Besides, a small sum was also made available under Sections 17(2)(a) or 4(c) at the Bank rate, for financing *bona fide* commercial or trade transactions of certain handloom weavers' co-operative societies.

111. Consequent on the increase in the Bank rate from 4 per cent to  $4\frac{1}{2}$  per cent with effect from January 3, 1963, the effective rate of interest on advances to State co-operative banks for financing seasonal agricultural operations and marketing of crops was also raised from 2 per cent to  $2\frac{1}{2}$  per cent. Similarly, the effective interest rates on medium-term loans for agricultural purposes and for the purpose of financing the production or marketing activities of the handloom industry were raised from  $2\frac{1}{2}$  per cent to 3 per cent. The enhanced rates were made applicable to advances granted on or after January 3, 1963 while outstandings of advances made upto January 2, 1963 continued to be charged at the rate of interest at which they were made.

112. In addition to the above credit facilities extended to co-operative institutions directly, the Reserve Bank continued to extend loans to State Governments to enable them to subscribe to the share capital of co-operative credit institutions. The amount sanctioned for the purpose was Rs. 4.94 crores covering 13 States. Like medium-term loans to State co-operative banks, these loans are also made out of the National Agricultural Credit (Long-term Operations) Fund. No assistance has so far been extended to co-operatives from the National Agricultural Credit (Stabilisation) Fund.

113. The Reserve Bank continued to assist the Central land mortgage banks by subscribing to the debentures floated by them. During the year, 11 Central land mortgage banks floated ordinary debentures for a total amount of Rs. 19.24 crores. In 12 cases, there were shortfalls in public subscriptions to the debentures, and the Reserve Bank took up the shortfall or 20 per cent of the issue, whichever was less, to the extent of Rs. 2.52 crores. Rural debentures for Rs. 1.69 crores were floated by the Central land mortgage banks in Andhra, Maharashtra, Gujarat, Kerala, Madras and the Punjab. While the rural debentures floated by the Gujarat Central Land Mortgage Bank were oversubscribed and those floated by the Bombay State Land Mortgage Bank were fully subscribed, the others did not receive adequate response. The Bank contributed Rs. 93.43 lakhs to these debentures during 1962-63 in addition to the sum of Rs. 52.10 lakhs contributed by it in respect of the rural debentures floated during 1961-62. As in previous years, the contribution of the Reserve Bank to rural debentures was in the proportion of 8:7 of the subscriptions received from the public. The debentures taken by the Reserve Bank carried interest at 4 per cent per annum while the rate of interest offered to individual subscribers was 5 per cent per annum.

114. Land mortgage banks, however, continue to be faced with the problem of obtaining adequate support for their growing needs of debenture floatation. With a view to assisting them the Life Insurance Corporation has now agreed to contribute, subject to certain conditions, upto 30 per cent of the aggregate issue of the debentures floated by the land mortgage banks subject to a maximum of Rs. 6 crores per annum during the remaining period of the Third Five Year Plan. Response to rural debentures is likely to be facilitated by the decision of the State Bank of India, both in regard to itself as well as its subsidiaries, to grant as an experimental measure for one year, advances to individuals in emergent cases against the security of rural debentures subject to certain conditions.

### Co-operative Development Policy

115. Reference was made in last year's Report to the proposal for setting up a statutory corporation to strengthen the resources of co-operative and other financing agencies for financing special schemes for agricultural development. The Act providing for the establishment of the Agricultural Refinance Corporation came into force on May 1, 1963. The Corporation will be mainly a refinancing agency concerning itself only with major agricultural development

projects, whose needs cannot be satisfactorily met by existing institutional agencies either because of the magnitude of the investment involved or because of the special terms of repayment etc. that need to be allowed. The projects will have to be well defined, economically feasible and capable of close scrutiny and supervision. Assistance from the Corporation may be available for such schemes as (a) financing of the reclamation and preparation of land, so that, in particular, facilities for irrigation are fully utilised, (b) financing the development of special crops such as arecanut, coconut, cashewnut, cardamom, orchards, vineyards, tea, coffee, etc., (c) development of mechanised farming, use of electricity through tube-wells, pumping sets, etc. and (d) development of animal husbandry, dairy farming, pisciculture, poultry farming etc. Among other business, the Corporation is authorised to guarantee deferred payments in connection with the purchase of capital goods from abroad by eligible institutions. It will make its refinance facilities available to an eligible institution only against Government guarantees; but it may waive this requirement in cases where adequate collateral security is available. Central land mortgage bank, State co-operative banks and scheduled banks which are members of the Corporation are eligible for refinancing facilities. The Corporation, which started functioning on July 1, 1963 has an authorised capital of Rs. 25 crores, of which shares to the extent of Rs. 5 crores have been issued in the first instance. The Reserve Bank was expected to take up 50 per cent of the issue, the co-operative central land mortgage banks and apex co-operative banks 30 per cent, and scheduled banks, the Life Insurance Corporation, insurance and investment companies 20 per cent. Since the latter two categories of shareholders have taken up only 27.06 per cent and 13.56 per cent respectively, of the total shares issued, the Reserve Bank of India has made good the shortfall by subscribing to 59.38 per cent of the total issue. The shares of the Corporation have been guaranteed by the Central Government both in regard to repayment of principal and the payment of a minimum annual dividend of 4 per cent. The Government of India has provided an interest-free loan of Rs. 5 crores to the Corporation and in addition the Corporation is also authorised to raise resources by accepting deposits for periods exceeding twelve months and by issuing bonds and debentures. The management of the Corporation vests in a Board of nine directors, with a Deputy Governor of the Reserve Bank as its Chairman.

116. Certain financial aspects of co-operative marketing were discussed at a meeting convened by the Bank on March 15, 1963 at which the various alternative methods by which the co-operative marketing institutions could avail of financial assistance from the State Bank of India were brought to the notice of the Registrars of Co-operative Societies of all States. In particular, their attention was invited to the fact that the State Bank of India was willing to meet, as an experimental measure, all the different kinds of credit requirements of a limited number of marketing co-operatives in each State, including hypothecation credit.

117. With the establishment of the Deposit Insurance Corporation for insuring the deposits of commercial banks, the Bank's attention is now focussed on the question of insuring the deposits of co-operative banks in order to strengthen the co-operative credit structure. The Reserve Bank on the recommendation of the Standing Advisory Committee on Agricultural Credit has constituted a working group to examine the different aspects of the problem of insuring co-operative deposits.

118. A detailed reference was made in the last year's Report to the 'Intensive Agricultural District Programme' which aimed at an immediate increase in the production of foodgrains and other important crops in agriculturally favourable areas. The programme, which was initially introduced in one district each in seven States, has now been extended to selected districts in all the States. It is, however, too early to assess the results in these new areas, though the programme has generally been gaining momentum. Tangible results are noticeable in the seven districts initially selected where two or three years of field work have been put in. Nearly half of the villages in these districts have been brought under the programme and the area under farm plans is a little more than a third of the total area under cultivation of 61.34 lakh acres.

119. The Reserve Bank's role in the programme has been directed mainly towards strengthening and reorganising the co-operative credit structure to enable it to mobilise adequate resources and to orient its loan policy and procedure towards ensuring that the credit made available is applied to production. To this end, field studies continued to be made to assess the position of co-operatives and to make recommendations for their improvement. Officers of the Agricultural Credit Department have been actively associated with the district authorities in implementing the programme, particularly in matters relating to the provision

of credit. On the basis of the experience gained in working the programme, the Reserve Bank has advised State Governments regarding the procedure co-operative banks should follow to obtain financial assistance from it for implementing the programme. Emphasis has been laid on the need for the proper selection of areas, active association of co-operatives in the formulation of the programmes and on issuing loans and effecting recoveries during periods corresponding to the sowing and harvesting seasons in line with the operational needs of agriculture. The building up of a proper co-operative marketing agency with adequate storage capacity complementary to the production-oriented credit programme is also stressed. During the year, the Bank sanctioned special credit limits amounting to Rs. 2.80 crores to four State co-operative banks on behalf of eight affiliated central banks, as compared with Rs. 50.50 lakhs sanctioned on behalf of two banks in the previous year.

120. A seminar for the benefit of Rural Credit Officers of the Bank connected with the package programme was held at Madras on March 28-30, 1963 with a view to (i) pooling the experience so far gained in the various districts, (ii) analysing the difficulties faced, (iii) examining how far the objectives of the programme had been achieved and (iv) considering what further measures should be taken to make the scheme a success. The seminar was attended by officers of the Reserve Bank and the Government of India and by representatives of the Ford Foundation.

121. The Standing Advisory Committee on Agricultural Credit constituted by the Reserve Bank of India met twice during the year. Some of the important issues discussed at these meetings were (a) co-operative development in Assam, Madhya Pradesh, West Bengal and Punjab; (b) investment by co-operative banks in the shares of other co-operative institutions; (c) standards for audit classification of primary agricultural credit societies and (d) estimate of bad and doubtful debts of agricultural credit societies. The standards for audit classification of agricultural credit societies suggested by the Committee were generally endorsed by the Conference of Registrars held in Lucknow in February 1963.

122. With a view to ensuring speedy settlement of some important and outstanding issues and formulating operational policy for the ensuing co-operative year, discussions were held with the official and non-official representatives of the co-operative movement from the States of Gujarat, Kerala, Andhra Pradesh, Madras, Mysore, Orissa, Rajasthan, Uttar Pradesh, Jammu and Kashmir and Bihar during the period December 1962—June 1963. Besides reviewing the working of the co-operative movement in general in each State at these discussions, the Bank indicated the minimum programme to be carried out by the States in the next few months in order to be eligible for adequate financial assistance from it.

123. The Bank continued to take keen interest in the development of handloom weavers' co-operatives and in the provision of adequate finance for their working capital needs. The *ad hoc* Advisory Committee on Handloom Finance met once during the year to discuss problems relating to the provision of finance to weavers' societies and to review the progress made in the working of the pilot scheme. A study of the implementation of the pilot scheme in selected districts in a few States revealed that the progress was not encouraging. One of the reasons for the slow progress was that the necessary staff, both technical and administrative, had not been appointed. One of the decisions taken at the meeting related to the extension of financial accommodation from the Reserve Bank for augmenting the working capital of the factory-type handloom weavers' co-operative societies functioning now in Kerala and Madras States subject to a ceiling of Rs. 500 per loom.

124. Consequent upon the coming into force of the National Co-operative Development Corporation Act, 1962 and Warehousing Corporations Act, 1962, the functions of the National Co-operative Development and Warehousing Board have been bifurcated and entrusted to two independent institutions, *viz.*, the National Co-operative Development Corporation, which will perform all functions of the erstwhile Board other than those relating to warehousing, and the Central Warehousing Corporation, which will look after warehousing. This bifurcation was made mainly for administrative convenience, so as to secure an independent status to the Warehousing Corporation which is expected to impart the necessary drive at official and non-official levels for the execution of co-operative policies.

125. The Government of India set up in September 1962 the Second Working Group to study the working of industrial co-operatives, review their present

position, recommended specific programmes and physical targets for the organisation of industrial co-operatives during the Third Five Year Plan period and make recommendations for allocating to industrial co-operatives a certain portion of the funds provided for the entire co-operative sector. The Working Group is expected to submit its report shortly.

126. The Third Plan schemes for co-operative development for 1963-64 were finalised during the year by the Planning Commission in consultation with the Government of India and the Reserve Bank. As in the previous year, the schemes related mainly to State participation in the share capital of certain types of co-operative institutions, devitalisation of small-sized societies, organisation of marketing and processing societies, etc. Most of the State Governments also made provision for outright grants to the special bad debts reserves of the central banks and primary credit societies in pursuance of the recommendation of the Committee on Co-operative Credit.

127. The annual conference of the Registrars of Co-operative Societies held at Lucknow on February 7-8, 1963 and the State Ministers' Conference which followed it considered the centrally sponsored scheme for consumers' co-operatives (under which share capital contribution, managerial subsidy and other loans and subsidies are envisaged) and recommended, among other things, that the setting up of 200 wholesale stores and 4000 primaries envisaged under the scheme should be completed by the end of 1963-64 itself, in view of their importance in holding the price line in the context of the Emergency.

128. In pursuance of another recommendation of the State Ministers' Conference, the Government of India appointed a Committee on Co-operative Administration under the chairmanship of Shri V. L. Mehta to review the existing co-operative departmental set-up in the various States and to make recommendations for strengthening the co-operative administration in the country.

129. The Committee on Takkavi Loans and Co-operative Credit, appointed by the Government of India in July 1961, submitted its report in August 1962. The Committee has suggested that co-operatives should be accepted as the institutional agency for providing credit to agriculturists for normal production and land improvement purposes, subject to certain exceptions, and that the Government should gradually reduce the direct advance of such loans to cultivators. According to the Committee, the Government may issue direct loans to cultivators only for purposes which involve delay in yielding returns on the investment or involving financial risks and those of a technical nature; similarly, provision of distress finance should be the responsibility of the Government. The Committee further observed that funds earmarked by Government for advancing takkavi loans might be utilised for supplementing the resources of co-operatives. The views of the State Governments on the various recommendations of the Committee have been called for by the Government of India.

130. At a meeting held in July 1962 in the Planning Commission, it was decided to form working groups for co-operatives in various sectors. Accordingly, a study group on Fisheries Co-operatives and a Working Group on Animal Husbandry and Dairying Co-operatives were set up in September and October 1962, respectively. The Groups have to examine, among other things, (i) the pattern of organisation, (ii) financial requirements and (iii) financial assistance from Government.

### Inspection of Co-operative Banks

131. The programme of voluntary inspections of apex co-operative banks, central co-operative banks and other co-operative institutions initiated about a decade ago continued to be actively implemented. During the year under review, 346 co-operative banks, 22 large-sized credit societies and 3 other societies were inspected. Of the 2175 inspections carried out so far, 108 were of State co-operative banks, 1635 of central co-operative banks, 28 of industrial co-operative banks, 23 of central land mortgage banks, 9 of co-operative sugar factories, 8 of State handloom weavers societies, 3 of urban banks, 352 of large-sized credit societies and 9 of miscellaneous societies. The implementation of a programme of inspections of this magnitude has been rendered possible mainly as a result of the opening of regional offices of the Agricultural Credit Department of the Bank in the various States. With the opening of two more regional offices, one at Bhubaneswar in August 1962 and the other at Srinagar in November 1962, the programme of opening a regional office in each of the States has been completed.

## IV. EDUCATION AND TRAINING OF BANKING PERSONNEL

132. The growth of a sound banking system depends not only on the strengthening of the institutional structure but also on the development of efficient techniques and procedures and the improvement of the quality and standards of management and staff; in this task the education and training of banking personnel has a crucial role to play. For almost a decade now, the Bank has been sponsoring and conducting, regularly and on systematic lines, appropriate training courses for different categories of personnel of both commercial and co-operative banks. In addition, the Bank has recently started training programmes for its own staff. The demand for trained and skilled banking personnel has been rapidly growing with the functional and geographical expansion of the activities of banks. To meet this increasing demand, several commercial banks, either individually or in collaboration with others, have established (or are in the process of organising) training colleges or schools for their staff, designed to provide elementary training to initiate their new entrants to the ways of banking and training of a more advanced type to their senior staff—supervisors and executives.

133. The question of instituting a scheme for training its own staff was being considered by the Bank for some time. Till recently, besides providing training to new recruits in the clerical grade through Personnel Officers at Bombay, Calcutta, Madras and New Delhi, the Bank has been deputing a few members of the supervisory staff to the intermediate and senior training courses established for the benefit of the commercial and co-operative bank staff. With the continuous increase in the Bank's staff, and because of the limited number of persons it could depute for training at the commercial and co-operative bankers' colleges, the Bank has now decided to establish regular training courses, at different stages, for different categories of its own staff. Zonal training centres are being established at Bombay, Calcutta, Delhi and Madras for imparting training to the new entrants as well as to those clerical staff who have been in the Bank's service for some years. The Zonal Training Centre at Bombay was set up during the year and has conducted three courses for the clerical and other staff. It is also decided to set up a Staff Training College at Madras which will, to begin with, conduct short training courses for the supervisory staff, viz., for Sub-Accountants and Junior Officers Grade II. The syllabus will mainly cover the functions and activities of the Bank in its various departments and other subjects such as essentials of the law and practice of banking with which the employees of the Bank should be familiar. In addition, the College will conduct from time to time *ad hoc* courses for the supervisory staff and organise seminars for executives of commercial and co-operative banks.

134. The Bankers' Training College, which was started in September 1954 for imparting training in practical banking to the supervisory staff of commercial banks in India, has so far conducted 40 senior courses in which 1,019 officers have received training. The intermediate course, intended for officers of commercial banks who are, so to say, second in command at their various offices, was introduced in 1960 and 13 such courses have so far been held imparting training to 295 candidates. Besides these general courses in commercial banking, specialised courses in industrial finance and foreign exchange have also been established.

135. Three courses in industrial finance have been held and 64 candidates drawn from the various State Financial Corporations and commercial banks, which have been included for refinance facilities by the Refinance Corporation for Industry, have been given training in these courses.

136. As more and more Indian banks were participating in foreign exchange business, and as officials in these banks did not have enough training and experience in this line of business, the Seminar organised by the Reserve Bank of India at the Bankers' Training College in June 1961 to evaluate the various training courses at the College recommended the introduction of a course on foreign exchange. The Advisory Council of the Bankers' College accepted the recommendation of the Seminar, and a course on foreign exchange was accordingly introduced in the College during the year under review. The course is of six weeks duration and is held once a year. The first course which commenced on September 17, 1962 concluded on October 27, 1962. Twentytwo candidates drawn from various banks received training at this course.

137. As a further step in promoting sound banking techniques and procedures, the Reserve Bank of India initiated a programme of seminars for chief executives of banks. The first seminar was held in Madras in March 1963 for the chief executives of small banks in the Southern region. The chief executives of 29 banks mostly with deposits up to Rs. 1 crore each participated in it. The second seminar was held again in Madras in May 1963. The chief executives of 32 banks, again mostly with deposits upto Rs. 1 crore each, took part in it. The banks were drawn from

all over India. The third seminar was held in July 1963 at which invitation was extended to, besides the executives of small banks, to those of the medium-sized banks. The chief executives of 27 banks, from various parts of the country, mostly with deposits upto Rs. 10 crores, participated in the seminar. The seminars provided an opportunity for the chief executives of the banks to exchange views among themselves and with the officers of the Reserve Bank and some of the bigger commercial banks on subjects of common interest. The seminars discussed a number of subjects such as steps to be taken for mobilising savings of the people in semi-urban and rural areas, procedures, techniques and safeguards adopted by banks in their investment and lending operations, internal controls and inspections, legal provisions concerning the working of banks and their relationship with the Reserve Bank. Emphasis was laid on reorientation of procedures and techniques so that small banks may achieve the necessary measure of strength and efficiency and adopt a progressive outlook. The officials of the Reserve Bank also held discussions with the chief executives of the banks regarding specific difficulties faced by them in the management of their respective banks.

138. Mention was made in last year's Report that the administration of the training schemes of co-operative personnel was transferred from the Central Committee for Co-operative Training (set up by the Reserve Bank jointly with the Government of India) to the National Co-operative Union of India with effect from July 1, 1962. For the eight years ended June 1962, 623 officers had been trained or were under training in the senior officers' course, 1625 in the intermediate officers' course, 4245 in the block level co-operative officers course, 1561 in the course on co-operative marketing, 452 in the course on land mortgage banking and 173 in the course on industrial co-operation. Besides, in the subordinate or junior training centres conducted by State Governments or co-operative institutions under the Central Committee's scheme, more than 27,000 junior officers had completed training and about 6,000 were under training by the end of March 1962. With the abovementioned transfer of the training centres, the Reserve Bank is no longer directly concerned with the administration of any co-operative training centre. The Bank is, however, represented on the Committee for Co-operative Training set up by the National Co-operative Union of India.

139. The Agricultural Credit Department of the Bank continued to provide facilities for study to Registrars of Co-operative Societies and other senior officers of co-operative departments of State Governments. Two Registrars-designate, one Joint Registrar and about 20 Deputy Registrars were given study facilities in the Agricultural Credit Department during the year. The Bank has also been organising seminars for the benefit of the inspecting officers of the Agricultural Credit Department undertaking the inspection of co-operative banks. During the year, six seminars were held, bringing the total number of such seminars held to 8.

140. Mention was made in last year's report of the progress of the Co-operative Film Project undertaken by the Bank with the help of the Canadian Government under the Colombo Plan for the production of films and film-strips for use in co-operative training centres. Under the Project, 12 films and 21 film-strips were produced completing the revised schedule of production.

## V. ACCOUNTS AND OTHER MATTERS

141. For the 1962-63 accounting year, the Bank's income after making statutory and other provisions, amounted to Rs. 58.05 crores—an increase of Rs. 2.07 crores over the income for the previous year. Total expenditure, comprising mainly establishment expenses, provision for sundry liabilities and contingencies, also rose but by a smaller amount (Rs. 1.07 crores) to Rs. 11.55 crores. The net profits available for transfer to the Central Government were thus slightly higher at Rs. 44.50 crores than in 1961-62 (Rs. 43.50 crores). The increase in income during the year stemmed mainly from a rise in interest earnings on rupee securities and in discounts on treasury bills, the former reflecting not only a larger investment portfolio but also the higher rates of interest on the new loans floated during the year.

142. In view of the steadily rising draft on the National Agricultural Credit (Long-term Operations) Fund (and this is expected to grow because of the liberalisation of the medium-term credit facilities to co-operatives, referred to in Section III) the contribution to this Fund was stepped up further this year to Rs. 12 crores; it was Rs. 11 crores in 1961-62 and Rs. 10 crores in 1960-61. A sum of Rs. 1 crore was contributed to the National Agricultural Credit (Stabilisation) Fund as in the previous year.

143. The rise in expenditure amounting to Rs. 1.07 crores was mainly under the heads "Establishment" and "Agency Charges". The increase under "Establishment"

was due to a revision of pay scales of Classes III and IV staff under the Award of the National Industrial Tribunal (Bank Disputes) and the increase under "Agency Charges" was due to increased commission paid to the State Bank of India and its subsidiaries on account of a larger turnover of Government transactions.

### **Auditors**

144. The accounts of the Bank have been audited by Messrs. S. B. Billimoria and Co., of Bombay, Messrs. P. K. Ghosh and Co., of Calcutta and Messrs. Sastri and Shah, of Madras, who were appointed by the Government of India as auditors of the Bank by Notification No. F. 3 (15)-BC/62 dated October 5, 1962 issued in exercise of the powers conferred by Section 50 of the Reserve Bank of India Act.

### **The Central Board**

145. Shri C.S. Divekar was appointed as a Deputy Governor of the Bank for a period of three years, from November 12, 1962. Shri D. N. Mitra and Col. B. H. Zaidi retired as Directors from the Central Board of the Bank on the expiry of their term of office on January 14, 1963. The vacancies were filled by the Government of India by the renomination of Col. B. H. Zaidi and the nomination of Shri C. P. N. Singh as Directors of the Central Board in terms of Section 8(1)(c) of the Reserve Bank of India Act, 1934. The Board wish to place on record their high appreciation of the valuable services rendered by Shri D. N. Mitra during his long association with the Bank.

146. The Central Board of Directors met six times during the year—thrice in Bombay and once each in Calcutta, Madras and New Delhi. The Committee of the Central Board held fifty-two meetings, of which 3 each were in Calcutta and New Delhi, one in Madras and the rest in Bombay.

### **Local Boards**

147. Shri D. N. Mitra and Sir John Douglas K. Brown resigned their membership of the Eastern Area Local Board and in terms of Sub-section 3 of Section 12 of the Reserve Bank of India Act, the vacancies were filled by the Central Board by the nomination of Shri C. P. N. Singh and Mr. A. D. Ogilvie with effect from March 4 and April 29, 1963, respectively.

### **Opening and Closing of Offices or Branches by the Reserve Bank**

148. Mention has already been made in Section III of the opening of two regional offices of the Agricultural Credit Department at Bhubaneswar on August 18, 1962 and at Srinagar on November 12, 1962, in pursuance of the Bank's policy of establishing offices of this Department in each of the States. Besides, a Public Debt Office was established at Jaipur on July 16, 1962 to take over the issue and management of the Rajasthan Zamindari Abolition Bonds which work was hitherto attended to by the Delhi Office, as well as the payment of instalments on Jaipur encased bonds which was until then a function of the Jaipur Treasury. It is intended that the Jaipur Office would, in course of time, function as a full-fledged Public Debt Office for the jurisdiction of Rajasthan State. An additional Note Cancellation Section was opened at Bangalore on January 2, 1963, to cope with the increased flow of soiled notes. The Note Cancellation Section at Lucknow which was not an economically viable unit was closed on April 30, 1963 and the staff transferred to the Kanpur Office.

### **Employer-Employee Relations**

149. The Award of the National Industrial Tribunal (Bank Disputes) which enquired into the dispute between the Bank and its employees regarding wages and other service conditions was published on September 29, 1962. The Award has classified the different centres where the Bank has its offices into two classes, viz., (a) higher pay centres and (b) other than higher pay centres and has prescribed scales of pay for each category of workmen serving at either class of centres. A large part of the existing dearness allowance has been merged with the basic pay and the revised basic pay has been fixed with reference to the base year 1949. The new scheme for dearness allowance provides for an adjustment of the allowance from time to time for every increase or decrease of four points in the quarterly average of the All-India Consumer Price Index (Base: 1949=100). The retirement age of the subordinate staff has been raised from 55 years to 58 years. All employees of the Bank working in a supervisory capacity are excluded from the operations of the Award. The Award in respect of pay scales and allowances as well as pension and gratuity came into force with retrospective effect from January 1, 1962 and in regard to all other matters with effect from October 30, 1962. The Bank has



since implemented the Award. The employees, however, decided to appeal against a number of directions in the Award and accordingly filed a writ petition before the Supreme Court of India. The petition which was admitted by the Supreme Court is pending hearing.

### **Bank's Premises**

150. The construction of the office building at Lamington Road, Bombay, was completed and it is being occupied from July 1, 1963. The construction of office buildings at Calcutta and Kanpur was in progress and that in respect of the Patna office building will start shortly. The plans for the office building at Bangalore are being finalised. In accordance with the Bank's policy to establish an integrated and full-fledged office in each State, arrangements are being made for the acquisition of land for the construction of office premises at Gauhati, Bhubaneswar, Chandigarh, Jaipur, Ahmedabad, Bhopal, Hyderabad and Trivandrum. Further progress was also made in the Bank's programme for providing increased residential accommodation facilities for its staff. The construction work of a staff colony at Santa Cruz, Bombay, commenced in November 1962. The plans for a staff colony at Singhi Park, Calcutta has been finalised and the construction work is expected to start shortly.

### **Bank's Publications**

151. Apart from this Annual Report of the Bank, which is presented to the Central Government in terms of Section 53(2) of the Reserve Bank of India Act, the Bank also brings out another statutory report in terms of Section 36(2) of the Banking Companies Act, namely, the Trend and Progress of Banking in India, which deals with developments in commercial banking during the calendar year and includes suggestions for the strengthening of the banking system in the country. The latest Report on the Trend and Progress of Banking in India for the year 1962 was published early in May 1963. In addition, the Economic and Statistics Departments of the Bank issue jointly each year the Report on Currency and Finance which presents an objective and comprehensive survey of the trends and developments in the various sectors of the economy, together with a wealth of statistical data, the intention being to provide readers with a fund of information and a ready reference book on the economic and financial indicators in the country. The Report on Currency and Finance for the year 1962-63, the latest in the series, was released to the public in the second half of June 1963. The Economic and Statistics Departments also publish, every month, the Reserve Bank of India Bulletin whose contents include a review of financial and economic conditions, articles on current economic problems and notes on fresh developments as well as current economic and financial statistics. The Statistical Tables relating to Banks in India, compiled by the Economic Department mainly from the balance sheets of banks, which supplement the Report on the Trend and Progress of Banking in India, also provide useful details on individual commercial banks, showing their more important assets and liabilities, location of their branches and correspondents, etc. The Statistical Tables for 1962 are under preparation and will be published sometime in September 1963. The Agricultural Credit Department publishes once in two years a Review of the Co-operative Movement in India which contains a detailed account of the progress and problems of the co-operative movement in India. To supplement this Review, the Department issues another publication—the Statistical Statements relating to the Co-operative Movement in India which gives details of the financial operations of the different types of co-operative institutions. The latest Review and the Statistical Statements relating to the Co-operative Movement in India, covering the periods 1958-60 and 1960-61 were published in August 1962 and November 1962, respectively. Besides these periodical publications, several special publications are also brought out from time to time, such as (1) Reports of *ad hoc* expert committees constituted under the auspices of the Bank and (2) several monographs on the findings of the Bank's investigations into problems pertaining to rural credit, co-operation and balance of payments. The Report on the Fourth Rural Credit Follow-up Survey which was conducted jointly by the Economic and Statistics Departments in nine selected districts was published in December 1962. The Economic Department published in March 1963 a monograph on India's Balance of Payments, which explains the concept and methodology of the compilation of balance of payments in India and presents balance of payments statistics for the years 1948-49 to 1961-62 with suitable explanations of the various constituent items.

# RESERVE BANK OF INDIA

Balance Sheet as at June, 1963

ISSUE DEPARTMENT

LIABILITIES				ASSETS			
	Rs.	nP.			Rs.	nP.	
Notes held in the Banking Department				Gold Coin and Bullion :—			
Notes in circulation	40,11,53,550	00		(a) Held in India	117,76,10,478	87	
Total Notes issued	2259,49,59,231	50		(b) Held outside India	..		
			2299,61,12,781	50	Foreign Securities	99,83,42,732	60
					TOTAL		217,59,53,211 47
					Rupee Coin		115,31,86,619 66
					Government of India Rupee Securities		1966,69,72,950 37
					Internal Bills of Exchange and other Commercial Paper		..
TOTAL LIABILITIES			2299,61,12,781	50	TOTAL ASSETS		2299,61,12,781 50

## BANKING DEPARTMENT

LIABILITIES			ASSETS		
	Rs.	nP.		Rs.	nP.
Capital paid-up . . . . .	5,00,00,000	00	Notes . . . . .	40,11,53,550	00
Reserve Fund . . . . .	80,00,00,000	00	Rupee Coin . . . . .	1,53,342	00
National Agricultural Credit (Long-term Operations) Fund . . . . .	73,00,00,000	00	Small Coin . . . . .	1,62,172	38
National Agricultural Credit (Stabilisation) Fund . . . . .	8,00,00,000	00	National Agricultural Credit (Long-term Operations) Fund		
			(a) Loans and Advances to :—		
			(i) State Governments . . . . .	27,16,74,215	66
Deposits :—			(ii) State Co-operative Banks . . . . .	10,70,61,001	00
(a) Government			(iii) Central Land Mortgage Banks . . . . .	..	
(i) Central Government . . . . .	65,07,27,637	34	(b) Investment in Central Land Mortgage Bank Debentures . . . . .	2,84,88,375	00
(ii) State Governments . . . . .	14,49,11,904	91			
(b) Banks			National Agricultural Credit (Stabilisation) Fund		
(i) Scheduled Banks . . . . .	93,53,87,650	25			
(ii) State Co-operative Banks . . . . .	6,84,46,151	45	Loans and Advances to State Co-operative Banks . . . . .	..	
(iii) Other Banks . . . . .	36,95,694	70			
(c) Others . . . . .	200,98,73,322	05	Bills Purchased and Discounted :—		
Bills Payable . . . . .	24,80,71,831	16	(a) Internal . . . . .	..	
Other Liabilities . . . . .	32,30,90,571	32	(b) External . . . . .	..	
			(c) Government Treasury Bills . . . . .	54,01,21,512	56

BANKING DEPARTMENT—*Contd.*

LIABILITIES		ASSETS	
	Rs. nP.		Rs. nP.
		Balances held Abroad*	6,75,45,048 84
		Loans and Advances to Governments†	30,94,00,000 00
		Loans and Advances to :—	
		(i) Scheduled Banks‡	1,17,22,000 00
		(ii) State Co-operative Banks§	128,64,50,859 00
		(iii) Others	1,13,80,000 00
		Investments II	265,30,83,596 41
		Others Assets	35,58,09,090 33
TOTAL LIABILITIES.	604,42,04,763 18	TOTAL ASSETS	604,42,04,763 18

Contingent liability on partly paid shares Rs. 4,06,66,666·67 nP. (including sterling investments of £ 50,000/- converted @1 sh. 6 d.)

\*Includes Cash and Short-term Securities.

† Excluding Loans and Advances from the National Agricultural Credit (Long term Operations) Fund.

‡ Includes Rs. 9,00,000/- advanced to scheduled banks against usance bills under Section 17(4)(c) of the Reserve Bank of India Act.

§Excluding Loans and Advances from the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

II Includes £ 278,750/- held abroad.

N.D. NANGIA,  
Chief Accountant.

Dated July 22, 1963

P. C. BHATTACHARYYA, Governor.  
M.V. RANGACHARI, Deputy Governor.  
D. G. KARVE, Deputy Governor.  
C. S. DIVEKAR, Deputy Governor.

**RESERVE BANK OF INDIA**  
**Profit and Loss Account**

	FOR THE YEAR ENDED					
	June 30, 1963		June 30, 1962		June 30, 1961	
INCOME	Rs.	nP.	Rs.	nP.	Rs.	nP.
Interest, Discount, Exchange, Commission, etc.	56,05,13,899	90	53,97,62,586	37	52,07,05,659	66
EXPENDITURE						
Establishment	5,83,65,390	04	4,66,39,181	56	4,39,64,597	52
Directors' & Local Board Members' Fees & Expenses	50,169	16	50,264	04	80,415	28
Auditors' Fees	30,000	00	30,000	00	30,000	00
Rent, Taxes, Insurance, Lighting, etc.	27,25,869	39	27,82,335	45	26,07,806	11
Law Charges	7,728	94	1,46,220	81	79,450	75
Postage and Telegraph Charges	5,64,495	64	4,48,868	18	3,64,096	82
Remittance of Treasure	36,73,705	50	38,40,914	12	33,29,148	77
Stationery, etc.	11,68,075	43	11,12,908	92	10,53,252	47
Security Printing (Cheque, Note Forms, etc.)	2,12,55,249	59	2,28,04,502	74	1,74,51,898	05
Depreciation and Repairs to Bank Property	43,85,013	93	51,19,591	89	53,54,407	67
Agency Charges	2,02,00,501	68	1,77,24,516	77	1,75,17,517	59
Contributions to Staff and Superannuation Funds	7,32,000	00	7,32,000	00	7,32,000	00
Miscellaneous Expenses	23,54,658	18	33,30,368	90	31,40,173	13
Net available balance	44,50,01,042	42	43,50,00,912	99	42,50,00,895	50
TOTAL	56,05,13,899	90	53,97,62,586	37	52,07,05,659	66
Surplus payable to the Central Government	44,50,01,042	42	43,50,00,912	99	42,50,00,895	50
Balance Carried Forward	Nil.		Nil.		Nil.	
TOTAL	44,50,01,042	42	43,50,00,912	99	42,50,00,895	50

## RESERVE FUND ACCOUNT

By balance on June 30, 1963 . . . . .	80,00,00,000 00
By transfer from Profit and Loss Account . . . . .	Nil.
	<hr/>
TOTAL	80,00,00,000 00

N. D. NANGIA,  
Chief Accountant.

P. C. BHATTACHARYYA, - Governor.  
M. V. RANGACHARI, Deputy Governor.  
D. G. KARVE, Deputy Governor.  
C. S. DIVEKAR, Deputy Governor.

**REPORT OF THE AUDITORS**

**TO THE PRESIDENT OF INDIA,**

We, the undersigned Auditors of the Reserve Bank of India, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at 30th June, 1963.

We have examined the above Balance Sheet with the Accounts, Certificates and Vouchers relating thereto of the Central Office and of the offices at Calcutta, Bombay and Madras and with the Returns submitted and certified by the Managers of the other Offices and Branches, which Returns are incorporated in the above Balance Sheet, and report that where we have called for explanations and information from the Central Board such information and explanations have been given and have been satisfactory. In our opinion, the Balance Sheet is a full and fair Balance Sheet containing the particulars prescribed by and in which the assets have been valued in accordance with the Reserve Bank of India Act, 1934 and the Regulations framed thereunder and is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the Books of the Bank.

S. B. BILLIMORIA & CO., }  
P. K. GHOSH & CO., } Auditors.  
SASTRI & SHAH. }

*Dated July 22, 1963.*

[No. F. 3(49)-BC/63.]

New Delhi, the 12th September 1963

S.O. 2659.—Statement of the Affairs of the Reserve Bank of India, as on the 6th September 1963.

## BANKING DEPARTMENT

LIABILITIES	Rs.	ASSETS	Rs.
Capital paid up . . . . .	5,00,00,000	Notes . . . . .	17,04,52,000
Reserve Fund . . . . .	80,00,00,000	Rupee Coin . . . . .	1,94,000
National Agricultural Credit (Long Term Operations) Fund . . . . .	73,00,00,000	Small Coin . . . . .	2,37,000
National Agricultural Credit (Stabilisation) Fund . . . . .	8,00,00,000	National Agricultural Credit (Long Term Operations) Fund . . . . .	
		(a) Loans and Advances to :—	
		(i) State Governments . . . . .	27,16,58,000
		(ii) State Co-operative Banks . . . . .	10,18,24,000
		(iii) Central Land Mortgage Banks . . . . .	..
		(b) Investment in Central Land Mortgage Bank Debentures . . . . .	3,55,31,000
Deposits :—		National Agricultural Credit (Stabilisation) Fund . . . . .	
(a) Government . . . . .		Loans and Advances to State Co-operative Banks . . . . .	..
(i) Central Government . . . . .	94,54,29,000	Bills purchased and Discounted :—	
(ii) State Governments . . . . .	7,75,77,000	(a) Internal . . . . .	..
(b) Banks . . . . .		(b) External . . . . .	..
(i) Scheduled Banks . . . . .	84,22,18,000	(c) Government Treasury Bills . . . . .	108,71,58,000
(ii) State Co-operative Banks . . . . .	2,00,48,000	Balances held Abroad* . . . . .	6,66,64,000
(iii) Other Banks . . . . .	6,09,000	Loans and Advances to Governments** . . . . .	26,14,84,000
(c) Others . . . . .	159,05,18,000	Loans and Advances to :—	
Bills Payable . . . . .	35,24,95,000	(i) Scheduled Banks† . . . . .	3,03,40,000
Other Liabilities . . . . .	20,67,80,000	(ii) State Co-operative Banks†† . . . . .	136,10,09,000
		(iii) Others . . . . .	1,65,30,000
		Investments . . . . .	205,06,62,000
		Other Assets . . . . .	24,19,31,000
Rupees . . . . .	569,56,74,000	Rupees . . . . .	569,56,74,000

\*Includes Cash and Short-term Securities.

\*\*Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund, but including temporary overdrafts to State Governments.

† Includes Rs 1,35,00,000 advanced to scheduled banks against usance bills under Section 17(4) (c) of the Reserve Bank of India Act.

†† Excluding Loans and Advances from the National Agricultural Credit (Long Term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund.

Dated the 11th day of September 1963.



An Account pursuant to the Reserve Bank of India Act, 1934, for the week ended the 6th day of September, 1963.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.	ASSETS	Rs.	Rs.
Notes held in the Banking Department .	17,04 52,000		Gold Coin and Bullion		
			(a) Held in India . . . .	117,76,10,000	
Notes in circulation . . . . .	2218,88,13,000		(b) Held outside India . . . .	..	
			Foreign Securities . . . . .	89,46,14,000	
Total Notes issued . . . . .		2235,92,65,000			
			TOTAL . . . . .		207,22,24,000
			Rupee Coin . . . . .		121,49,81,000
			Government of India Rupee Securities . . . . .		1907,20,60,000
			Internal Bills of Exchange and other commercial paper . . . . .		
TOTAL LIABILITIES . . . . .		2235,92,65,000	TOTAL ASSETS . . . . .		2235,92,65,000

Dated the 11th day of September, 1963.

P. C. BHATTACHARYYA,  
Governor.

[No. F. 3(2)-BC/63.]

A. BAKSI, Jt. Secy.

## (Department of Economic Affairs)

*New Delhi, the 13th September 1963*

**S.O. 2660.**—In pursuance of sub-section (4) of section 29 of the Banking Companies Act, 1949 (10 of 1949), the Central Government hereby gives notice of its intention to make with effect from the 25th day of December 1963, the following amendments to Form B (Form of Profit and Loss Account) set out in the Third Schedule to the said Act, namely:—

In Form B, Form of Profit and Loss Account—

- (a) in item 2 of the Expenditure side, the brackets and words “(showing separately salaries and allowances to managing director, manager or chief executive officer)” shall be omitted; and
- (b) after the existing footnote, the following additional footnote shall be inserted, namely:—

“The following shall be set out in this Form by way of a note, namely:—

Particulars of remuneration relating to managing director, manager or chief executive officer showing separately all payments made or provided during the year in respect of each of the following items and the total of all such items, viz. (i) salaries, (ii) allowances, (iii) bonus, (iv) contributions to provident fund, pension fund or any other superannuation fund, (v) sitting fees, (vi) the monetary value of any other benefits or perquisites, and (vii) payments by way of gratuities, pension or provident fund balance in excess of his own contributions and interest thereon”.

[No. F. 16(4)-BC/63.]

**S.O. 2661.**—In exercise of the powers conferred by section 53 of the Banking Companies Act, 1949 (10 of 1949), the Central Government, on the recommendation of the Reserve Bank of India, hereby declares that the provisions of section 9 of the said Act shall not apply to the Coimbatore Varthaka Vridhi Bank Ltd., Coimbatore in respect of the property held by it at Rajapuram, Tiruchirappalli District, Madras till the 15th March, 1965.

[No. F. 15(4)-BC/63.]

B. J. HEERJEE, Under Secy.

## (Department of Economic Affairs)

## INSURANCE

*New Delhi, the 16th September 1963*

**S.O. 2662.**—The following draft of certain rules further to amend the Insurance Rules, 1939, which the Central Government proposes to make in exercise of the power conferred by section 114 of the Insurance Act, 1938 (4 of 1938) is published as required by sub-section (1) of the said section for the information of all persons likely to be affected thereby; and notice is hereby given that the draft will be taken into consideration by the Central Government on or after 27th September, 1963.

Any objection or suggestion which may be received from any person with respect to the draft on or before the date so specified will be considered by the Central Government.

## DRAFT

1. These Rules may be called the Insurance (Second Amendment) Rules, 1963.
2. In the Insurance Rules, 1939 (hereinafter referred to as the said Rules), in rule 5

- (i) the proviso to sub-rule (1) and sub-rule (2) shall be omitted;
- (ii) sub-rules (3), (4), (5) and (6) shall be renumbered as sub-rules (2), (3), (4) and (5) respectively;
- (iii) in sub-rule (2) as so renumbered the words “other than deposits in sterling securities” shall be omitted;

- (iv) in sub-rule (4) as so renumbered,
- (a) the words, brackets and figure, "of the intimation referred to in sub-rule (2) or," shall be omitted;
- (b) for the words, brackets and figure, "under sub-rule (3)," the words, brackets and figure, "under sub-rule (2)" shall be substituted.

3. In rule 6 of the said Rules, for the words, brackets and figure, "sub-rule (5)" the words, brackets and figure "sub-rule (4)" shall be substituted.

4. In rule 8 of the said Rules,

- (i) sub-rule (2) shall be omitted;
- (ii) sub-rule (3) shall be renumbered as sub-rule (2);
- (iii) in sub-rule (2) as so renumbered,
- (a) the words, brackets and figure, "other than sterling securities, and amounts if any received from the London Office of the Bank under sub-rule (2)" shall be omitted;
- (b) for the words, "Imperial Bank of India," the words, "State Bank of India" shall be substituted;
- (c) for the words, letters and figures "after deduction of a commission of annas four on every sum of Rs. 100 or part thereof," the words, letters and figures, "after deduction of a commission of 5s. on every sum of £100 or part thereof, in the case of sterling securities, and annas four on every sum of Rs. 100 or part thereof in the case of securities other than sterling securities" shall be substituted.

5. In rules 24 and 24B of the said Rules, for the words, "Imperial Bank of India" wherever they occur, the words "State Bank of India" shall be substituted.

6. Form I of the Schedule to the said Rules shall be omitted.

[No. 51(22)-INS/I/63.]

P. GANGULEE, Dy. Secy.

**(Department of Revenue)**

**ESTATE DUTY**

*New Delhi, the 2nd September 1963*

**S.O. 2663.**—In exercise of the powers conferred by sub-section (2A) of Section 4 of the Estate Duty Act, 1953 (34 of 1953) and in partial modification of the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 9/F. No. 1/18/62-ED dated the 16th July, 1962 published as S.O. No. 2230 dated the 16th July, 1962 in Part II, Section 3(ii) of the Gazette of India dated the 21st July, 1962, the Central Government hereby appoints Shri P. K. Sinha, a Commissioner of Income-tax as Appellate Controller of Estate Duty with headquarters at Delhi.

2. This notification shall be deemed to have effect from the 23rd August, 1963 (forenoon).

**Explanatory Note**

(This note is not part of the notification but is intended to be merely clarificatory).

This notification has become necessary due to a change in the incumbent of the post of Appellate Controller of Estate Duty.

[No. 21/F. No. 1/43/63-ED.]

S. R. MEHTA, Dy. Secy.

**(Department of Revenue)**

**ESTATE DUTY**

*New Delhi, the 13th September 1963*

**S.O. 2664.**—The Central Government hereby renews for a further period of three years with effect from the 16th August, 1963, the appointment of the under-mentioned Valuers whose names were previously published in Part II, Section 3(ii) of the Gazette of India dated the 3rd June, 1961, under S.O. 1235.

2. The scale of charges for the remuneration of Valuers appointed by the Central Government for valuing any property shall be as fixed below and no such Valuer shall charge a fee at a scale higher than the scale so fixed.

Provided that where two or more properties are required to be valued—

(i) by a Committee of Arbitration or by a third valuer in pursuance of a single order, or

(ii) by a valuer, in pursuance of a single reference made by a Controller of Estate Duty or at the instance of an accountable person,

all such properties shall be deemed to constitute a single unit of property for the purposes of fixing the fee payable to the Committee or the Valuer, as the case may be.

#### SCALE OF CHARGES

On the first Rs. 50,000/- of the property so valued	... ½% of the value
On the next Rs. 1,00,000/- of the property so valued	... ¼% of the value
On the balance of the property so valued	... ⅛% of the value.

#### APPENDIX

##### 1. ENGINEERS/SURVEYORS/ARCHITECTS

S. No.	Name	Address
1.	Shri Thergaonkar P.M., B.E., A.M.I.E.	Circle Engineer, Nagpur Improvement Trust, Nagpur.

##### II-ACCOUNTANTS

2.	Shri Abhyankar, B. C., F.C.A.	C/o B. C. Abhyankar & Co., Chartered Accountants, 35-36, Alli Chambers, Medows Street, Fort, Bombay-1.
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##### III-ACTUARIES

1.	Shri Sapre, V.L., M.Sc., F.I.A.	Divisional Manager, Life Insurance Corporation of India. Actuarial Deptt., Jeevan Kendra, 2nd Floor, Jamshedji Tata Road, Bombay-1.
2.	Shri Subramaniam, D., M.A., F.I.A., F.S.S.	Principal, Life Insurance Corporation of India, Officers' Training College, Station Road, Nagpur.
3.	Shri Venkatasubramaniam, R., B.A., F.I.A.	Actuary, Zonal Office, Life Insurance Corporation of India, Madras-2.
4.	Shri Venkatasubbiah, G., M.A., B.T., F.I.A. (Lond.), F.S.S., A.S.A.	Assistant Divisional Manager, Life Insurance Corporation of India, Divisional Office, Bashir Bagh, Hyderabad.

[No. 23/F. No 5/62/63-ED.]

P. K. GHOSH, Under Secy.

#### CENTRAL BOARD OF REVENUE

##### ESTATE DUTY

New Delhi, the 2nd September 1963

S.O. 2665.—In exercise of the powers conferred by sub-section (2A) of Section 4 of the Estate Duty Act, 1953 (34 of 1953), and in partial modification of its notification No. 10/F. No. 1/18/62-ED dated the 16th July, 1962 published as S.O. No. 2231 dated the 16th July, 1962 in Part II, Section 3(ii) of the Gazette of India dated the 21st July, 1962, the Central Board of Revenue hereby directs

that with effect from the 23rd August, 1963 (forenoon) Shri P. K. Sinha, a Commissioner of Income-tax, shall perform the functions of the Appellate Controller of Estate Duty throughout India in respect of:—

(a) the estates of deceased persons assessed to estate duty on or after the 1st July, 1960.

(b) the estates of the deceased persons in relation to which an appeal lies under Section 62 of the said Act.

2. This notification shall be deemed to have effect from the 23rd August, 1963 (forenoon).

*Explanatory Note*

(This note is not part of the notification but is intended to be merely clarificatory.)

This notification has become necessary due to a change in the incumbent of the post of Appellate Controller of Estate Duty.

[No. 22/F. No. 1/43/63-ED.]

S. R. MEHTA, Secy.

**OFFICE OF THE COLLECTOR OF CENTRAL EXCISE: BANGALORE**

*Bangalore, the 17th August 1963*

S.O. 2666.—In exercise of the powers vested in me under Rule 5 of the Central Excise Rules, 1944 and in supersession of this Office Notification No. 3/58 dated 26th March 1958, I hereby empower the Central Excise Officers specified in Col. 1 of the table below, to exercise within their respective jurisdiction, the powers of Collector conferred by the provisions of the rule enumerated in col. 2 subject to the extent of authority and limitations, if any, set out in col. 3 of the table.

Rank of Officer	Rule	Extent of authority and/or limitations
1. Sub-Inspector of Central Excise	200	To be exercised only in respect of <i>unmanufactured excisable products</i> .
2. Of and above the rank of Inspectors of Central Excise	200	All excisable commodities.
3. Of and above the rank of sub-Inspectors	199	..

[No. 4/63.]

[C. No. IV/8/1/63-B2.]

N. MOOKHERJEE, Collector.

**CENTRAL EXCISE COLLECTORATE, HYDERABAD-DECCAN**

*Hyderabad, the 6th September 1963*

S.O. 2667.—In exercise of the powers conferred upon me under Rule 5 of Central Excise Rules, 1944, and in supersession of all the existing orders of the subject, I hereby authorise the officers mentioned in column 1 below, to accept the bonds referred to in column 2, executed by

licences of private bonded warehouses in the Hyderabad Central Excise Collectorate subject to limitations in column 3.

Officer authorised to accept the bond	Type of bond	Limitations
1	2	3
1. Assistant Collector of Central Excise.	B-12 (Gen. Surety), B-12 (Gen. Security) executed under Rules 14, 140 and 154 of Central Excise Rules, 1944.	In respect of any or all the warehouses situated within his jurisdiction.
2. Deputy Collector	Do.	If any of the warehouse(s) covered by the bond is are situated in more than one division within Dy Collector's Jurisdiction.
3. Headquarters Assistant Collector of Central Excise or Assistant Collector of Central Excise (Tech.), Collectorate Headquarters Office, Hyderabad.	Do.	If any of the warehouse(s) covered by the bond is/ are situated in more than one division beyond D.C.'s jurisdiction.

2. The execution of the bond may be before any Central Excise Gazetted Officer.

[No. 5/63]

R. C. MEHRA,  
Collector.

### MINISTRY OF INDUSTRY

New Delhi, the 10th September, 1963

S.O. 2668.—In exercise of the powers conferred by section 8 of the Emblems and Names (Prevention of Improper Use) Act, 1950. (12 of 1950), the Central Government hereby makes the following further amendment in the Schedule to the said Act, namely:—

In item 9A of the said Schedule, the following shall be inserted at the end, namely:—

“except the pictorial use thereof on calendars where only the name of the manufacturers and printers of the calendars are given and the Calendars are not used for advertising goods.”

[No. 13(16)/62-TMP.]

HARGUNDAS, Under Secy.

### ORDER

New Delhi, the 12th September 1963

S.O. 2669.—In exercise of the powers conferred by section 5 of the Industries (Development and Regulation) Act, 1951 (65 of 1951) read with rule 4 of the Central Advisory Council (Procedural) Rules, 1952, the Central Government hereby appoints Shri Santoka Singh, M.P., to be a member, till the 4th July 1965, of the Central Advisory Council of Industries established by the Order of the Government of India in the late Ministry of Commerce and

Industry No. S.O. 1932, dated the 5th July, 1963, and directs that the following amendment shall be made in the said Order, namely:—

In the said Order, after entry No. 24 relating to Shri P. R. Ramakrishnan, M.P., the following entry shall be added, namely:

"24A. Shri Santokh Singh, M.P., Managing Partner, M/s. National Chemical Industries, 26, Najafgarh Road, New Delhi-15.

[No. 1(2)Lic.Pol./63.]

S. P. KRISHNAMURTHY, Under Secy.

## MINISTRY OF MINES & FUEL

New Delhi, the 7th September 1963

S.O. 2670.—Whereas it appears to the Central Government that Coal is likely to be obtained from the land mentioned in the Schedule hereto annexed.

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 4 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957), the Central Government hereby gives notice of its intention to prospect for coal therein.

### SCHEDULE

Central Jharia coalfield.

BLOCK 'A'

Drg. No. Rev/68/63

dated 30-6-1963

(Showing area notified for Prospecting)

Sl. No.	Village	Thana	Thana No.	District	Area	Remarks
1	Dukhitdi . . . . .	Topchanchi	276	Dhanbad		Full
2	Banskapuria . . . . .	"	277	"		Full
3	Kanchanpur . . . . .	"	278	"		Part
4	Rampur . . . . .	"	284	"		Part
5	Sawardi . . . . .	"	285	"		Full
6	Domagara . . . . .	"	286	"		Full
7	Debagram . . . . .	"	287	"		Part
8	Nawadi . . . . .	"	288	"		Part
9	Malkera . . . . .	"	289	"		Part
10	Dubrajpur . . . . .	"	290	"		Part
11	Chainpur . . . . .	"	300	"		Part
12	Patrakuli . . . . .	"	301	"		Part
13	Deoghara . . . . .	"	302	"		Part
14	Bandhdih . . . . .	"	348	"		Part
15	Kauria . . . . .	"	349	"		Full
16	Rudi . . . . .	"	350	"		Part
17	Olidi . . . . .	"	351	"		Part

Total 2050.00 acres (approx.) or 830.25 Hectares (approx.)

### Boundary Description:

A-B line passes through villages Malkera and Dubrajpur and meets at point 'B'.

B-C line passes partly along the Central line of River Katri in village Dubrajpur, then through villages Dubrajpur and Deoghara and meets at point 'C'.

C-D line passes through villages Deoghara and Dubrajpur and meets at point 'D'.

D-E line passes through villages Dubrajpur, Chainpur, Patrakuli, Bandhdih, Rudi and Olidi and meets at point 'E'.

E-F line passes along the part Central line of Bansjhor River in villages Olidi, Rudl, Kapuria and Dukhitdi and meets at point 'F'.

F-G line passes along the northern boundary of villages Dukhitdi and Banskapur and meets at point 'G'.

G-H line passes along the part Eastern Boundary of village Kanchanpur and meets at point 'H'.

H-A line passes through villages Kanchanpur, Rampur, Nawadi, Debagram and Malkera and meets at point 'A'.

The maps of the area can be inspected at the office of the National Coal Development Corporation Ltd. (Revenue Section), "Darbhanga House", Ranchi or at the office of the Deputy Commissioner, Dhanbad.

[No. C2-20(20)/63.]

### CORRIGENDUM

New Delhi, the 10th September 1963

**S.O. 2671.**—In the notification of the Government of India, in the Ministry of Mines and Fuel S.O. 1251, dated the 27th April, 1963, published at pages 1403 to 1405 of the Gazette of India Part II, Section 3 sub-section (ii) dated the 4th May, 1963, —

(1) (i) at page 1403 line (i) in lines 7 and 8. For "no objection was made to the acquisition of the lands and mining rights in the locality aforesaid" Read "the competent authority in pursuance of section 8 of the Coal Bearing Areas (Acquisition and Development) Act, 1957 (20 of 1957) has made his report to the Central Government". (ii) in line 9 For "after consul-ting" Read "after considering the report and; consulting";

(2) at page 1404, in lines 14 and 48 For "Baikunthput" Read "Baikuntpur";

(3) at page 1405 (i) in line 2, For "214(P)" Read "214";

(4) (ii) in line 18 For "57 and" Read "57 and 1";

(iii) in line 25 For "Baikunthpur" Read "Baikuntpur";

(iv) in line 28, For "Katkone" Read "Katkona".

[No. F. C2-22(5)/59.]

A. NABAR, Under Secy.

New Delhi, the 11th September 1963

**S.O. 2672.**—Whereas it appears to the Central Government that it is necessary in the public interest that for the transport of petroleum between Barauni Refinery in Bihar State and Haldia Port in Calcutta in West Bengal State, a pipeline should be laid by the Indian Refineries Limited and that for the purpose of laying such a pipeline, it is necessary to acquire the right of user in the land described in the Schedule annexed hereto;

2. Now, therefore, in exercise of the powers conferred by sub-section (1) of section 3 of the Petroleum Pipelines (Acquisition of Right of User in Land) Act, 1962 (50 of 1962), the Central Government hereby declares its intention to acquire the right of user therein.

3. Any person interested in the said land may, within 21 days from the date of this notification, object to the laying of the pipeline under the land to the competent authority at 9, Syed Amir Ali Avenue, Calcutta-17 in the office of the Indian Refineries Limited. Every person making such an objection shall also state specifically whether he wishes to be heard in person or by a legal practitioner.





## SCHEDULE

State—Uttar Pradesh District—Allahabad

Tehsil—Meja

Village	Survey No.	Extent B. B. B.	Village	Survey No.	Extent B. B. B.
1. Baksandi	24/2	0 1 0	3. Bela Ahiran— <i>contd.</i>	30/2	0 0 1
	25	0 5 15		36/2	0 3 0
	28/2	0 1 10		44	0 0 10
	29	0 0 15		45/2	0 0 1
	30	0 2 10		46	0 2 0
	31/1	0 3 0		47	0 9 10
	37/2	0 2 10		48	0 2 0
	58/4	0 2 10		50/1	0 5 5
	59	0 5 0		50/4	0 3 10
	60	0 8 0		51	0 2 0
	62	0 5 5		55	0 5 0
	70/1	0 3 5		130	0 2 12
	71	0 7 0		131	0 14 2
	72/1	0 0 5			
	73/1	0 6 0	4. Kukudi.	298	0 6 0
	92/1	0 8 5		300/1	0 1 0
	93/2	0 5 5		300/2	0 1 0
	94/1	0 2 10		301	0 2 0
	96	0 7 0		302/2	0 2 0
	97	0 5 5		302/3	0 3 0
	272	0 2 5		303/3	0 3 0
	273/1	0 3 0		304/1	0 2 15
	273/2	0 8 0		306/2	0 4 10
	276	0 3 10		310/1	0 3 0
	277	0 4 10		311	0 6 0
	278/2	0 8 10		312	0 3 10
	281/1	0 0 10		313	0 0 5
	282/1	0 4 10		314/1	0 15 0
	283/1	0 5 0		359	0 13 18
	284	0 3 10		360	0 5 15
	285	0 3 10		362/1	0 5 5
	306	0 8 0		366/3	0 7 3
	307	0 4 0		384/2	0 0 10
	308	0 0 10		385/1	0 0 15
	311/2	0 3 0		385/3	0 0 5
	312	0 1 15		386	0 2 0
	313	0 5 2		387/5	0 2 15
	322	1 9 10		388/2	0 2 0
	267/2	0 3 0		389/1	0 2 10
2. Hem Pur	41/4	0 6 10		390/2	0 1 10
	42/2	0 8 10		472/1	0 1 10
	43/3	0 0 15		475/1	0 0 5
	44/1	0 2 0		476	0 7 5
	44/3	0 6 10		477	0 5 8
	44/5	0 4 0		480/1	0 0 5
	44/11	0 1 0		481	0 15 0
	44/12	0 1 0		482/1	0 7 5
	45/1	0 1 0		483	0 8 15
	61/2	0 0 15		484	0 4 0
	62/2	0 0 15		516/2	0 9 0
	76/1	0 3 0		517	0 0 2
	76/2	0 4 2		518	0 2 0
	76/3	0 3 0		521	1 0 15
	77	0 1 10		545	0 3 0
	78/2	0 9 0		546	0 9 0
3. Bela Ahiran	27/2	0 8 10		547	0 7 2
	28/2	0 4 10		548	0 2 0
	29	1 0 12	5. Sarwan Pur,	48	0 17 0
				49	0 7 0

Village	Survey No.	Extent. B.B.B.	Village	Survey No.	Extent B. B. B.
5. Sarwanpur— <i>contd.</i>	50 51/12	0 2 0 0 7 0	8. Nahwai— <i>contd.</i>	95/1 95/2 95/3 97 98 99 100 112 113/1 119/1 119/2 122/1 122/2 122/3 123 132 133 134/3 135/1 138 139 140 141 142 143 144 145 147/1	0 5 10 0 1 0 0 5 0 0 0 5 0 7 0 0 4 0 0 8 5 0 7 0 0 6 0 0 0 7 0 0 5 0 2 0 0 2 0 0 2 0 0 5 0 0 0 5 0 9 0 0 1 7 0 2 13 0 2 5 0 5 0 0 0 5 0 0 5 0 0 12 0 6 0 0 2 0 0 3 0 0 0 13
6. Chakdecha	3 4 34/1 34/2 35 30 37/1 38/2 39/1 40/3 41/1 42/1 44/1 44/2 45/1 46/1 93/1	0 10 5 0 10 0 0 3 10 0 1 10 0 4 0 0 6 0 0 4 0 0 4 0 0 4 0 0 9 0 0 7 0 0 0 2 0 1 0 0 3 0 0 2 10 0 1 0 0 2 5	9. Tikari	117 118 119 120 121 130 131 142/1 143/1 144 145 148/1 150 151 208 212 213 214 215 216/1 222 233 234/1 234/2 235 236 244 246 252 253 255 257 258 265 268 269	0 3 0 0 9 0 0 6 0 0 0 10 0 5 5 0 6 0 0 4 0 0 0 2 0 9 0 0 9 0 0 7 0 0 19 0 0 4 10 0 0 10 0 4 0 0 6 0 0 9 0 0 0 10 0 0 10 0 0 15 0 5 10 0 9 5 0 7 0 0 6 0 0 2 15 0 1 0 0 2 0 0 4 10 0 2 0 0 2 15 0 2 0 0 2 0
7. Man Pur	106 107/1 107/2 108 109/1 109/2 115/1 115/2 115/3 115/4 123 126/1 126/2 126/3 127 135 136 137 145/2 145/3 146 147 148 149/2	0 4 0 0 2 0 0 2 10 0 4 10 0 2 5 0 2 0 0 1 10 0 1 10 0 2 0 0 2 5 0 7 0 0 3 5 0 4 5 0 4 5 0 0 0 0 1 0 0 5 0 0 3 10 0 4 0 0 7 0 0 2 10 0 8 10 0 7 10 0 1 0	8. Nahwai	62/2 63 64 66 67/1 68/1 69/1 78/1 79/2 79/3 80/1 80/2 80/3 92 93 94/1 94/2 94/3 94/4	0 1 0 0 6 12 0 6 10 0 6 0 0 2 12 0 1 10 0 0 10 0 2 0 0 3 5 0 2 10 0 2 0 0 2 0 0 2 0 0 6 5 0 4 0 0 1 15 0 1 10 0 2 5 0 2 0

Village	Survey No.	Extent B. B. B.	Village	Survey No.	Extent B. B. B.
	270/1	0 9 0		304/1	0 1 18
	271	0 6 10		304/2	0 0 17
	569	0 1 10		304/3	0 1 0
	571	0 5 0		305	0 0 5
	572	0 3 0		307/1	0 6 0
	573	0 2 15		307/3	0 3 0
	576	0 14 0		308/1	0 3 0
	577	0 4 0		309	0 5 0
	578	0 1 0		311	0 12 5
	579	0 1 0		314	0 6 0
	594/1	0 1 0		315	0 6 10
	595/1	0 4 0		316	0 6 0
	595/2	0 4 0		320/2	0 5 0
	597	0 6 0		321	0 1 0
	596	0 3 0		322/1	0 8 0
	599	0 6 0		322/2	0 5 0
	601	0 0 5		322/3	0 1 0
10. Uma Pur Kalan	118	0 1 10		322/4	0 6 0
	124/2	0 1 10		322/5	0 5 0
	440/2	0 6 0	12. Dighiya	409	0 5 0
	441/2	0 3 10		410	0 2 0
	441/3	0 2 10		414/1	0 12 0
	448/1	0 3 0		415/1	0 2 0
	448/2	0 2 0		416	0 7 10
	449	0 6 0		417	0 6 10
	450/3	0 7 0		418	0 0 10
	453	0 6 0		424/2	0 9 10
	456	0 5 10		445	0 3 10
	459	0 8 0		448/1	0 13 10
	461	0 5 10		448/2	0 8 10
	462	0 6 0		451	0 4 10
	463	0 3 10		459/1	0 0 10
	468	0 4 10		460	0 11 0
	469	0 1 0		461/1	0 1 10
	470	0 8 10		461/2	0 3 10
	483	0 4 0		462/1	0 2 10
	484	0 9 0		463/1	0 13 0
	485	0 6 0		464/2	0 4 0
	486	0 4 10		465	0 4 5
	490	0 2 0		1384	0 4 0
	491	0 2 0		1386/1	0 2 0
	492	0 2 0		1389/1	0 1 4
	493	0 5 10		1390/1	0 1 15
	499	0 4 0		1390/2	0 2 0
	500	0 3 0		1462/2	0 1 15
	502	0 7 15		1463/1	0 8 0
11. Bamhaniatar	258	0 9 5		1463/2	0 15 10
	259	0 1 15		1470/1	0 12 0
	261/1	0 6 0		1470/2	0 16 0
	261/2	0 6 0		1471	0 15 0
	262/1	0 2 10		1472	0 6 0
	262/2	0 2 10		1473	0 3 10
	263/1	0 0 18		1478/1A	0 18 0
	288/1	0 3 10		1478/1B	0 10 0
	288/2	0 2 10		1478/2	0 13 0
	289	0 3 10		1478/2	0 4 0
	289/2	0 3 10	13. Garotha	165	0 2 5
	290/1	0 3 5		166	0 4 0
	290/5	0 2 15		167	0 5 0
	292/1	0 3 0		169	0 7 0
	292/2	0 4 0		210/1	0 2 0
	293	0 8 0		220	0 3 10
	302	0 7 0		225	0 7 0
	303	0 1 15		226	0 3 0

Village	Survey No.	Extent B. B. B.	Village	Survey No.	Extent B. B. C.
	227	0 3 10		207/1	0 4 0
	228	0 0 5		207/2	0 6 10
	229	0 0 10		210	0 6 5
	230	0 4 5		211	0 0 5
	231	0 3 14		212/1	0 1 5
	232	0 1 0		226/1	0 1 0
	234	0 3 0		226/2	0 1 15
	253	0 4 0		230	0 3 10
	255	0 5 0		231	0 0 2
	256	0 3 15		242	0 3 0
	257	0 3 10		243/1	0 1 0
	258/1	0 3 10		243/2	0 2 0
	264	0 3 0		244/1	0 1 10
	265	0 7 0		244/2	0 1 10
	266/1	0 1 10		245	0 1 0
	266/2	0 1 15		277	0 0 10
	266/3	0 2 0		278	0 2 0
	267/2	0 4 0		286	0 4 15
	267/3	0 5 10		287	0 7 10
	269	0 14 0		292	0 0 5
14. Munai	939	0 9 5		295/2	0 2 0
	940	0 10 0		296	0 0 10
	945/1	0 3 10		298/1	0 1 5
	945/2	0 3 10		298/2	0 3 0
	946	0 8 0		299	0 3 5
	950/1	0 6 0		300/1	0 2 0
	950/2	0 3 0		307	0 4 0
	951/1	0 3 0		308	0 4 0
	951/2	0 6 0		309	0 4 0
	954/1	0 2 0		310	0 2 10
	954/2	0 7 0		311	0 1 10
	957	0 7 0	16. Kotaha	44/1	0 0 8
	958/1	0 2 5		44/2	0 0 8
	958/2	0 4 0		44/3	0 0 8
	959	0 2 10		44/4	0 0 8
	960	0 2 0		44/5	0 0 8
	961	0 4 0		47	0 3 5
	964	0 9 0		48/1	0 6 0
	970	0 4 0		48/2	0 2 10
	971	0 4 0		48/3	0 2 10
	976	0 3 0		48/4	0 2 0
	977	0 3 0		48/5	0 0 10
	978	0 3 0		48/6	0 0 10
	979	0 4 5		48/7	0 2 0
	981/1	0 1 10		59	0 0 10
	981/2	0 2 15		60	0 0 10
15. Chakatalachhan	137/1	0 4 15		61	0 4 5
	161	0 4 0		62/1	0 2 10
	163	0 7 0		62/2	0 2 10
	169/1	0 3 10		70	0 4 0
	169/2	0 2 0		71	0 1 15
	170	0 6 15		72	0 11 10
	171	0 4 0		74/2	0 2 10
	172/1	0 2 5		74/3	0 2 0
	173	0 4 15		74/4	0 3 0
	182/1	0 2 10		74/5	0 2 0
	182/2	0 2 0		75..	0 3 0
	182/3	0 3 0		83/5	0 1 10
	189/1	0 0 10		88	0 4 10
	189/2	0 1 0		89/2	0 4 0
	190	0 6 11		90	0 1 0
	194/1	0 4 5		92	0 5 10
	194/2	0 2 15		93/1	0 7 10
	194/3	0 2 0		93/2	0 1 10
				94/1	0 3 5
				94/2	0 3 0

Village	Survey No.	Extent B. B. B.	Village	Survey No.	Extent B. B. B.
17. Lehadi	533	0 2 10	20. Bisahijan-Kalan	53/1	0 12 0
	534	0 4 5		57/1	0 3 10
	535	0 4 0		58/2	0 8 0
	536	0 4 0		59	0 3 0
	537	0 7 0		74	0 6 0
	538/2	0 4 0		75	0 2 10
	539	0 4 10		134/1	0 2 15
	540	0 4 0		135/1	0 2 10
	541/1	0 5 0		137	0 3 10
	541/3	0 4 0		138	0 3 0
	542	0 0 10		139/1	0 0 10
	544	0 12 0		140	0 9 0
	547/1	0 2 0		143	0 5 5
	547/2	0 6 0		144	0 2 0
18. Jageypur	3/1	0 1 0		146/1	0 3 0
	3/2	0 2 5		146/2	0 2 10
	3/3	0 0 10		146/5	0 0 12
	4/1	0 2 0		146/6	0 1 13
	4/2	0 3 0		146/7	0 1 13
	6/1	0 3 10		146/8	0 1 12
	6/2	0 3 10		147	0 4 0
	6/3	0 3 15		152	0 6 0
	7/2	0 9 10		153/3	0 4 0
	7/3	0 7 0		155	0 5 10
	10	0 0 15		158	1 4 0
	11/4	0 3 0	21. Sorawan-Pati.	600/2	0 0 5
	13	0 3 15		643/1	0 4 0
	14/1	0 8 0		644/1	0 3 0
	14/2	0 3 10		645	0 4 10
	14/3	0 3 10		646/1	0 1 0
	14/4	0 2 10		646/2	0 1 0
	29/1	0 3 5		647	0 3 0
	29/2	0 2 0		648	0 4 0
	30/1	0 2 10		649/2	0 6 10
	30/2	0 2 10		652	0 5 5
	30/3	0 1 10		654/1	0 0 5
19 Bisahijan-Khurd	290	0 0 10		654/2	0 2 15
	291	0 8 0		664	0 10 0
	293/1	0 2 10		665	0 0 5
	293/2	0 2 10		667	0 8 0
	296	0 5 5		668	0 3 0
	297/2	0 3 10		669	0 3 10
	299/1	0 3 0		670	0 3 15
	299/2	0 3 0		671	0 3 10
	302/1	0 6 0		672	0 1 0
	302/2	0 5 15		673	0 0 5
	328/1	0 9 0		756	0 0 5
	328/2	0 5 0		757	0 1 0
	330/1	0 18 0		758	1 7 0
	355/1	0 18 0		759	0 3 10
	356	0 0 5		761	0 3 0
	357	0 1 0		762	0 1 0
	358	1 2 0		771	0 11 0
	379	0 12 0		772	0 11 10
	381/1	0 3 0		773	0 12 5
	382/1	0 8 0		776	0 10 10
	382/2	0 15 0		777	0 9 0
	390	0 5 10		803/1	0 10 0
	391	0 0 10		804/1	0 3 0
	392	0 6 0		804/2	0 2 10
	393	0 2 0	22. Kathar.	17/4	0 4 0
	395	0 2 10		18	0 13 19
				22	0 4 0
				30	0 8 0

Village	Survey No.	Extent B. B. B.	Village	Survey No.	Extent B. B. B.
22. Kethar— <i>contd.</i>	31	0 6 2	24. Samahan	611	0 7 10
	33	1 2 10		612	0 8 0
	34	0 1 0		613	0 4 10
	59/1	0 0 5		615	0 5 10
	60/1	0 1 0		617	0 5 0
	61	0 1 0		618/1	0 2 10
23. Kathauli.	459/2	0 7 0		624/2	0 13 0
	460	0 4 0		627/1/4	0 2 10
	462/1	0 13 0		627/3	0 5 0
	464	0 2 0		628	0 3 10
	466	0 0 5		629	0 3 10
	469/1	0 9 0		642	0 11 0
	470	0 8 0		643	0 0 5
	475	0 7 0		644	0 11 9
	476/1	0 10 0		647	0 1 10
	477	0 9 0		648	0 1 0
	478	0 2 0		649	0 8 0
	708	0 5 0		650	0 3 10
	709	0 13 10		651	0 2 10
	710/2	0 3 10		670	0 15 0
	712	0 15 0		672	0 1 5
	719	0 1 10		674/2	0 0 10
	720	0 2 0		675	0 9 10
	723	0 0 15		676	0 2 0
	724	1 9 0		682	0 5 0
	725	0 12 0		683	0 5 0
	726/1	0 0 15		684	0 1 5
	726/3	0 0 5		685	0 3 5
	730	0 9 0		696/2	0 4 10
	731	0 0 10		696/3	0 1 10
	734/1	0 4 5		697	0 2 10
	734/2	0 4 0		698	0 12 0
	744	0 2 0		699	0 1 0
	745	1 0 0		735	0 1 10
	747/1	0 5 0		736/1	0 0 5
	747/2	0 2 10		737	0 5 0
	747/2	0 2 15		738	0 8 0
	748	0 15 0		739	0 1 10
	749	0 0 5		749	0 5 5
	750	0 2 0		752	1 1 0
	757	0 5 0		753	0 15 0
	809	0 5 10		760/1	0 7 0
	810	0 7 10		762/1	0 14 0
	811	0 8 0		773/1	0 10 0
	813	0 10 5		773/2	0 1 0
	814	0 7 15		774/3	0 3 10
	815/3	0 12 0		786/1	0 2 10
	817	0 5 5		786/3	0 10 0
	838	0 0 10		786/6	0 2 10
	839	0 8 0		787	0 14 0
	840	0 14 10		788/2	0 2 10
	842	0 6 0		789/1	0 10 10
	843	0 3 10		826	0 6 0
	844	0 6 10		827/1	0 3 0
	845	0 9 0		828/1	0 6 0
	846	0 1 0		830	0 0 5
	1005/1	1 13 0		832	0 7 0
	1013	0 6 10			
	1014/1	0 2 10			
	1014/2	0 1 10			

[No. 31/50/63-ONG.]

B. SUBBA RAO, Under Secy.

# MINISTRY OF INTERNATIONAL TRADE

New Delhi, the 6th September 1963

S.O. 2674.—In pursuance of sub-rule (4) of rule 155 of the Trade and Merchandise Marks Rules, 1959, it is hereby notified that in exercise of the powers conferred by clause (a) of sub-rule (1) of the said rule, the Central Government has removed the names of Sarvashri Akali Holasing and M. K. Bagde from the Register of Trade Marks Agents.

[No. 6(3)-Com.Genl.(TM)/63.]

M. L. GUPTA, Under Secy.

New Delhi, the 11th September 1963.

S.O. 2675.—In exercise of the powers conferred by Section 4 of the Coir Industry Act, 1953, (45 of 1953), read with sub-rule (1) of rule 5 of the Coir Industry Rules, 1954, the Central Government hereby makes the following amendment to the Ministry of Commerce and Industry's notification No. S.O. 2058, dated the 22nd July, 1963, namely:—

For "Joint Director of Industries and Commerce, Rural Industrialisation, Mysore, Bangalore", occurring at S. No. 3 under item (f) "Government of the principal coconut growing States", the following shall be substituted, namely:—

"Joint Director of Industries and Commerce and Ex-officio Joint Registrar of Industrial Cooperatives, Mysore, Bangalore".

[No. F. 2(2)/63-J&C.]

New Delhi, the 13th September 1963

S.O. 2676.—The following bye-laws further to amend the Coir Board (Contributory Provident Fund) Bye-Laws, 1955, made by the Coir Board, in exercise of the powers conferred by section 27 of the Coir Industry Act, 1953 (45 of 1953) and confirmed by the Central Government are hereby published, as required by sub-section (2) of the said Section, namely:—

1. These bye-laws may be called the Coir Board (Contributory Provident Fund) or Amendment Bye-Laws, 1963.

2. In the Coir Board (Contributory Provident Fund) Bye-Laws, 1955, for clause (b) of Bye-Law 3, the following clause shall be substituted namely:—

"(b) Re-employed officers may be permitted to contribute to the Contributory Provident Fund, provided the term of their appointment is for a period exceeding one year."

[No. F. 11(6)/63-J&C.]

A. G. V. SUBRAHMANYAM, Under Secy.

## (COFFEE CONTROL)

New Delhi, the 11th September 1963.

S.O. 2677.—Shri G. S. Srinivasan, I.A.S., Chief Coffee Marketing Officer, Coffee Board, Bangalore, is granted earned leave from 13th August, 1963, to 13th Septem-



ber, 1963, with permission to prefix the holidays on the 10th, 11th and 12th August, and suffix the holidays on the 14th and 15th September, 1963.

During the period of leave granted to Shri Srinivasan, Shri R. Satishchander, Deputy Chief Coffee Marketing Officer, Coffee Board, shall, in addition to his own duties, perform the duties of the Chief Coffee Marketing Officer.

[No. F. 9(5) Plant(B)/62.]

B. KRISHNAMURTHY, Under Secy.

## MINISTRY OF FOOD & AGRICULTURE

(Department of Agriculture)

*New Delhi, the 11th September 1963*

**S.O. 2678.**—In exercise of the powers conferred by section 6 of the Agricultural Produce (Grading and Marking) Act, 1937 (1 of 1937), the Central Government hereby declares that the provisions of the said Act shall apply to the following article, namely:—

### MUSHROOMS

(No. F. 17-22/63-AM.)

*New Delhi, the 12th September 1963*

**S.O. 2679.**—The following draft of certain further amendments to the Essential Oils Grading and Marking Rules, 1954, which the Central Government proposes to make in exercise of the powers conferred by section 3 of the Agricultural Produce (Grading and Marking) Act, 1937 (1 of 1937) is published as required by the said section, for the information of all persons likely to be affected thereby and notice is hereby given that the draft will be taken into consideration on or after the 10th October 1963.

Any objection or suggestion which may be received from any person with respect to the said draft before the date so specified will be considered by the Central Government.

### *Draft Amendment*

1. These rules may be called the Essential Oils Grading and Marking (Amendment) Rules, 1963.

2. In Schedule V to the Essential Oils Grading and Marking Rules, 1954,—

(i) for the words "Palmarosa Oil", wherever they occur, the words "Oil of Palmarosa" shall be substituted;

(ii) in column 6,—

(a) for the heading "Saponification value", the "Percentage of Ester (as Geranyl acetate)" shall be substituted;

(b) for the figures, words and brackets "9 to 36 (3 to 12 per cent of esters as geranyl acetate)" against Special Grade and Grade A, the figures and word "3 to 12" shall be substituted;

(iii) in column 7,—

(a) for the heading "Saponification value after acetylation", the words "Ester value after acetylation" shall be substituted;

(b) for the figures and word "266 to 284" against Special Grade and Grade A, the figures and word "266 to 280" shall be substituted;

(iv) in column 8, for the figures "90" and "88" occurring respectively against Special Grade and Grade A, the figures "92" and "90" shall be substituted.

[No. F. 16-1/63-AM.]

V. S. NIGAM, Under Secy.

**(Department of Agriculture)**

**(Indian Council of Agricultural Research)**

*New Delhi, the 9th September, 1963*

S.O. 2680.—In pursuance of the appropriate provision of the Indian Cotton Cess Act, 1923, (14 of 1923), the Central Government are pleased to appoint the following persons as members of the Indian Central Cotton Committee to represent the interests shown against them upto 31st March, 1964:

Name and address	Section	Interest represented
1. Shri Chinubhai Chimanbhai, Shahibag, Ahmedabad-4.	4(iv)	The Ahmedabad Millowners' Association, Ahmedabad.
2. Shri G. R. Govindarajulu, Managing Agent, Coimbatore Pioneer Mills Ltd., Peclamedu, Madras.	4(v)	Cotton Manufacturing or Cotton Ginning Industry in Madras State.

[No. 1-7/63-Com. III.]

*New Delhi, the 11th September 1963*

S.O. 2681.—In exercise of the powers conferred by Section 17 of the Indian Oilseeds Committee Act, 1946 (No. 9 of 1946), the Central Government hereby makes the following rules further to amend the Indian Oilseeds Committee Rules, 1947, the same having been previously published, as required by Sub-Section (1) of Section 17 of the said Act, namely:—

1. These rules may be called the Indian Oilseeds Committee (Amendment) Rules, 1963.

2. In rule 21 of the Indian Oilseeds Committee Rules, 1947 (hereinafter referred to as the said rules)—

(1) in sub-rule (1), in the proviso, for clause (a) the following clause shall be substituted, namely:—

“(a) except in the case of officiating and temporary arrangements for a period not exceeding six months, appointments to posts carrying a maximum pay of Rs. 100 a month and more and requiring scientific or technical qualifications shall be made on the recommendation of—

(i) the Central Selection Board (Commodity Committees)—in respect of Class I posts and such of the Class II posts, the maximum of whose pay-scale exceeds Rs. 600 under the Committee; and

(ii) an Appointments Sub-Committee, constituted for the purpose in respect of all other posts under the Committee”;

(2) for the figures “500” wherever they occur, the figures “600” shall be substituted.

3. After the proviso to sub-rule (1) of rule 25 of the said rules, the following proviso shall be inserted, namely:—

“Provided further that—

(a) the Committee may sanction schemes the total cost of which does not in any individual case exceed Rs. 2.00 lakhs during the period of its operation, without reference to the Central Government subject to—

(i) existence of provision in the sanctioned budget of the Committee specifically for those schemes;

(ii) the pattern of assistance of the schemes being in accordance with the approved pattern, as contained in the “General Conditions applicable to Grants made by the Committee”; and

(iii) the Committee forwarding broad details of the schemes, provision for which is included in the annual budget of the Committee, to the Central Government alongwith the annual budget.

(b) the Committee may sanction expenditure upto a monetary limit of Rs. 50,000, in case the Committee's sanctioned budget is Rs. 10.00 lakhs or more and upto a monetary limit of Rs. 25,000 in case the Committee's sanctioned budget is less than Rs. 10.00 lakhs, on any item for which provision exists in the sanctioned budget of the Committee.”

4. For sub-rules (1) and (2) of rule 27 of the said rules, the following sub-rules shall be substituted; namely:—

“(1) The Committee's money shall be kept within Government account in a banking or a non-banking Treasury of Government. For this purpose, a ‘Personal Deposit Account’ of the Committee shall be opened within the Government Account and all monies at the disposal of the Committee other than petty cash and monies invested under sub-rule (2) shall be paid in that account.

(2) Surplus funds, arising out of the cess resources, may be invested in Central Government Securities. Such investments shall be made with approval of the Committee's Standing Finance Sub-Committee.”

[No. 8-8/62-Com.II/III.]

N. K. DUTTA, Under Secy.

## MINISTRY OF HEALTH

*New Delhi, the 10th September, 1963*

**S.O. 2682.**—Whereas the Indian Nursing Council has, by a resolution passed at a meeting held on the 2nd May, 1963, in pursuance of the provision of sub-sections (2) and (4) of section 10 of the Indian Nursing Council Act, 1947, (48 of 1947), declared that the qualifications specified therein shall be recognised qualifications for the purposes of the said Act;

And whereas the said resolution has been published in the Official Gazette with the notification of the Government of India in the Ministry of Health, No. F. 27-46/63-MPT, dated the 10th September, 1963, as required by sub-section (1) of section 15 of the said Act;

Now, therefore, in pursuance of the provisions of sub-section (2) of section 15 of the Indian Nursing Council Act, the Central Government hereby makes the following further amendments in the Schedule to the said Act, so as to bring it in accord with the said declaration, namely:—

I. In the Schedule to the said Act, in part I:—

(1) under the heading “A-General Nursing”, after entry 36, the following entries shall be inserted, namely:—

“37. The Kerala Examination Board/Kerala Nurses and Midwives Council.

38. The Maharashtra Nursing Council (when granted on or after the 15th February, 1962).

39. The Gujarat Nursing Council, when granted before the 31st December, 1953, by the

40. (a) Travancore Government;
- (b) Travancore Public Service Commission;
- (c) Cochin Government;
- (d) Cochin Public Service Commission;
- (e) Travancore-Cochin Government;
- (f) Travancore-Cochin Public Service Commission".

(2) under the heading "B-Midwifery", after entry 13 the following entries shall be inserted, namely:—

"14. The Kerala Examination Board/Kerala Nurses and Midwives Council.

15. Maharashtra Nursing Council (when granted on or after the 15th February, 1962).

When granted before the 31st December, 1953, by the:—

16. (a) Travancore Government;
- (b) Travancore Public Service Commission;
- (c) Cochin Government;
- (d) Cochin Public Service Commission;
- (e) Travancore-Cochin Government;
- (f) Travancore-Cochin Public Service Commission".

(3) Under the heading "C-Auxiliary Nursing-Midwifery" after entry 6, the following entries shall be inserted namely:—

"7. The Kerala Examination Board/Kerala Nurses and Midwives Council.

8. Kasturba Gandhi National Memorial Trust (when issued on or after the 1st January, 1955).

9. Maharashtra Nursing Council (when issued on or after the 15th February, 1962).

10. Gujarat Nursing Council;"

(4) under the heading "D-Health Visitors", after entry 18, the following entries shall be inserted, namely:—

"19. Kerala Examination Board/Kerala Nurses and Midwives Council.

20. Maharashtra Nursing Council (when issued on or after the 15th February, 1962).

21. Gujarat Nursing Council."

II. In Part II, after entry 12, the following entries shall be inserted, namely:—

- |   |  |
|---|--|
| "13. University of Kerala.  | Diploma in Teaching and Administration in Nursing (when issued on or after the 1st October, 1961). |
| 14. Uttar Pradesh Nurses and Midwives Council State Medical Faculty, Uttar Pradesh. | Certificate in Ward Administration Course.   |
| 15. Maharashtra Nursing Council.  | Diploma in Public Health Nursing."   |

[No. F. 27-46/63-MPT.]

S.O. 2683.—The following declaration made by a resolution passed at a meeting of the Indian Nursing Council held on the 2nd May, 1963, under section 10 of the

Indian Nursing Council Act, 1947 (48 of 1947), is hereby published, as required by sub-section (1) of section 15 of the said Act, namely:—

- (1) Diploma in Teaching and Administration in Nursing granted by the University of Kerala.

Whereas the University of Kerala being an authority recognised by the Government of Kerala for the purpose of granting a Diploma in Teaching and Administration in Nursing has applied to the Council constituted under the Indian Nursing Council Act, 1947 (XLVIII of 1947), that the diploma granted by it in Teaching and Administration in Nursing be recognised for the purposes of the said Act;

Now, the Council at its meeting held on the 2nd May, 1963, for the said purpose, resolved that the aforesaid qualification, when granted on or after the 1st October, 1961, shall be a recognised qualification for the purposes of the said Act.

- (2) Qualifications in General Nursing, Midwifery, Auxiliary Nursing Midwifery and Health Visitors granted by the Kerala Examination Board/Kerala Nurses and Midwives Council.

Whereas the Kerala Examination Board/Kerala Nurses and Midwives Council, being an authority recognised by the Government of Kerala for the purpose of granting qualifications in general nursing, Midwifery, auxiliary nursing midwifery and health visitors, has applied to the Council constituted under the Indian Nursing Council Act, 1947 (XLVIII of 1947), that the certificates granted by the Kerala Examination Board/Kerala Nurses and Midwives Council in general nursing, midwifery, and the auxiliary nursing midwifery and health visitors courses be recognised for the purposes of the said Act ;

Now, the Council at its meeting held on the 2nd May 1963, for the said purpose, resolved that the aforesaid qualifications shall be recognised qualifications for the purposes of the said Act.

- (3) Qualifications in Auxiliary Nursing-Midwifery granted by the Kasturba Gandhi National Memorial Trust.

Whereas the Kasturba Gandhi National Memorial Trust being an authority recognised by the Government of Madhya Pradesh for the purpose of granting qualification in auxiliary nursing-midwifery, has applied to the Council constituted under the Indian Nursing Council Act, 1947 (XLVIII of 1947), that the certificate granted by the Kasturba Gandhi National Memorial Trust in auxiliary nursing midwifery be recognised for the purposes of the said Act;

Now, the Council, at its meeting held on the 2nd May, 1963, for the said purpose resolved that the aforesaid qualification, when granted on or after the 1st January 1955, shall be recognised qualification for the purposes of the said Act.

- (4) Certificate in Ward Administration Course and Diploma in Public Health Nursing Course, granted by the Uttar Pradesh Nurses and Midwives Council/State Medical Faculty, Uttar Pradesh.

Whereas the Uttar Pradesh Nurses and Midwives Council/State Medical Faculty, Uttar Pradesh, being an authority recognised by the Government of Uttar Pradesh for the purpose of granting qualifications in Ward Administration Course and Diploma in Public Health Nursing Course has applied to the Indian Nursing Council constituted under the Indian Nursing Council Act, 1947 (XLVIII of 1947), that the certificate granted by the Uttar Pradesh Nurses and Midwives Council/State Medical Faculty, Uttar Pradesh, in Ward Administration Course and diploma in Public Health nursing course be recognised qualifications for the purposes of the said Act ;

Now, the Council at its meeting held on the 2nd May, 1963, for the said purpose resolved that the aforesaid qualification shall be a recognised qualification for the purposes of the said Act.

- (5) Qualifications in General Nursing, Midwifery, Auxiliary Nursing-Midwifery, Health Visitor and Post-Gertificate Qualification *i.e.*, Diploma in Public Health Nursing granted by the Maharashtra Nursing Council.

Whereas the Maharashtra Nursing Council being an authority recognised by the Government of Maharashtra for the purpose of granting qualifications in general nursing, midwifery auxiliary Nursing-Midwifery, health visitors and post certificate qualification, *i.e.*, diploma in public health nursing, has applied to the Indian Nursing Council constituted under the Indian Nursing Council Act, 1947 (XLVIII of 1947) that the certificate granted by the Maharashtra Nursing Council in general nursing, midwifery, auxiliary nursing midwifery, health visitors and diploma in public health nursing be recognised for the purpose of the said Act ;

Now, the Council, at its meeting held on the 2nd May, 1963, for the said purpose, resolved that the aforesaid qualifications, when granted on or after the 15th February, 1962, shall be recognised qualifications/recognised higher qualification for the purposes of the said Act.

- (6) Qualifications in general nursing, midwifery, auxiliary nursing midwifery and health visitors granted by the Gujarat Nursing Council.

Whereas the Gujarat Nursing Council being an authority recognised by the Government of Gujarat for the purpose of granting qualifications in general nursing, midwifery, auxiliary nursing midwifery and health visitors, has applied to the Indian Nursing Council constituted under the Indian Nursing Council Act, 1947 (XLVIII of 1947), that the certificate granted by the Gujarat Nursing Council in general Nursing, Midwifery, auxiliary nursing midwifery and health visitors be recognised for the purposes of the said Act ;

Now, the Council, at its meeting held on the 2nd May, 1963, for the said purpose, resolved that the aforesaid qualifications shall be recognised qualifications for the purposes of the said Act.

[No. F. 27-46/63-MPT.]

## ORDERS

*New Delhi, the 11th September 1963*

S.O. 2684.—Whereas, the Government of India in the Ministry of Health has, by notification No. 16-52/62 MI (MPT), dated the 14th June, 1963, made in exercise of the powers conferred by sub-section (1) of section 14 of the Indian Medical Council Act, 1956 (102 of 1956), recognised the medical qualification "Doctor of Medicine" granted by the Yale University School of Medicine, Connecticut, U.S.A. for the purposes of the said Act;

Now, therefore, in exercise of the powers conferred by the proviso to sub-section (1) of Section 14 of the Indian Medical Council Act, 1956 (102 of 1956), the Central Government hereby specified the period of two years with effect from the date of this Order or so long as Dr. Siegfried A. Centerwall, who possesses the said qualification, continue to work in the Christian Medical College and Hospital, Vellore, to which she is attached for the time being for the purposes of teaching, research or charitable work, whichever is shorter, as the period to which the medical practice of the said Dr. Siegfried A. Centerwall shall be limited.

[No. F. 16-20/63-MI(MPT).]

*New Delhi, the 13th September 1963*

S.O. 2685.—Whereas the Government of India in the Ministry of Health has, by notification No. F. 16-5/62-MI dated the 23rd July, 1962, made in exercise of the powers conferred by sub-section (1) of section 14 of the Indian Medical Council Act, 1956 (102 of 1956), recognised the Medical qualification M.D. awarded by the University of Georgetown, Washington, United States of America for the purposes of the said Act;

Now, therefore, in exercise of the powers conferred by the proviso to sub-section (1) of section 14 of the Indian Medical Council Act, 1956 (102 of 1956), the Central Government hereby specifies the period of two years with effect from the date of this Order or so long as Dr. Mary Lucille Wiss, who possesses the said qualification, continues to work in the Nazareth Hospital Mokemen Jn. Patna Distt., to which she is attached for the time being for the purposes of teaching, research or charitable work, whichever is shorter, as the period to which the medical practice of the said Dr. Mary Lucille Wiss shall be limited.

[No. F. 32-3/63-MPT.]

B. B. L. BHARADWAJ, Under Secy.

## MINISTRY OF SCIENTIFIC RESEARCH AND CULTURAL AFFAIRS

### ARCHAEOLOGY

*New Delhi, the 28th August 1963*

S.O. 2686.—Whereas by notification of the Government of India in the Ministry of Scientific Research and Cultural Affairs No. F. 4-9/63-C.I., dated 6th June, 1963, published in Part II, Section 3, Sub-section (ii) of the Gazette of India, dated the 15th June, 1963, the Central Government gave notice of its intention to declare the archaeological monument specified in the Schedule below to be of national importance.

And, whereas, no objections have been received to the making of such declaration.

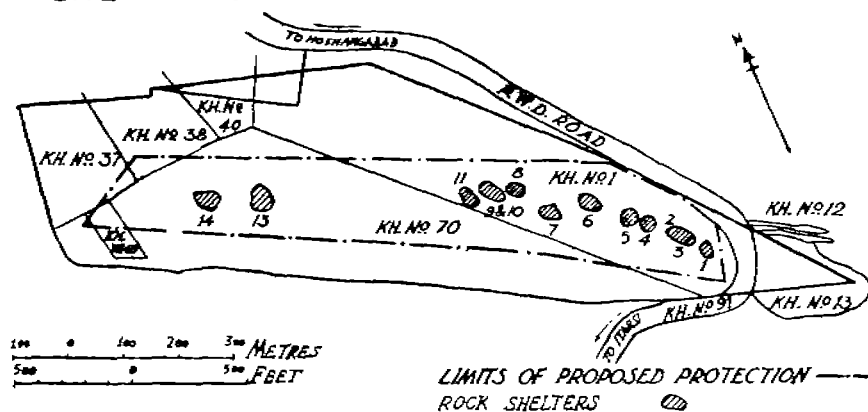
Now, therefore, in exercise of the powers conferred by sub-section (3) of section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby declares the said archaeological monument to be of national importance.

SCHEDULE

Sl. No.	State	District	Tehsil	Locality	Name of monument	Revenue plot number to be included under protection	Area	Boundaries	Ownership
1	2	3	4	5	6	7	8	9	10
1	Madhya Pradesh.	Hoshangabad.	Hoshangabad	Villages Kalamdi, Rasulia and Kishanpur.	Ancient site and Adamgarh Rock Shelters comprised in part of survey plot No. 1 of village Kalamdi, part of survey plot Nos. 69 and 70 of village Rasulia and part of survey plot Nos. 37 and 38 of village Kishanpur.	Part of survey plot No. 1 of village Kalamdi, part of survey plot Nos. 69 and 70 of village Rasulia and part of survey plot Nos. 37 and 38 of village Kishanpur.	19.70 acres.	<p><i>North</i> :—Part of survey Plot Nos. 37 and 38 of village Kishanpur, part of survey plot No. 70 of village Rasulia, survey plot No. 91 and part of survey plot No. 1 of village Kalamdi.</p> <p><i>East</i> :—Survey plot No. 91 and part of survey plot No. 1 of village Kalamdi.</p> <p><i>South</i> :—Part of Survey plot Nos. 69 and 70 of village Rasulia.</p> <p><i>West</i> :—Part of survey plot Nos. 69 and 70 of village Rasulia and part of survey plot Nos. 37 and 38 of village Kishanpur.</p>	State Government.



# SITE PLAN OF ADAMGARH ROCK WITH PAINTINGS



[No. F. 4-9/63-C.I.]

S. J. NARSIAN,  
Assistant Educational Advisor.

ARCHAEOLOGY

*New Delhi, the 9th September, 1963*

S.O. 2687.—Whereas the Central Government is of opinion that the ancient monument specified in the Schedule attached hereto is of national importance;

Now, therefore, in exercise of the powers conferred by sub-section (i) of section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby gives notice of its intention to declare the said ancient monument to be of national importance.

Any objection made within two months after the issue of this notification by any person interested in the said ancient monument will be considered by the Central Government.

SCHEDULE

SL. No.	State	District	Tehsil	Locality	Name of monument	Revenue plot Nos. to be included under protection	Area	Boundaries	Ownership	Remarks
I	2	3	4	5	6	7	8	9	10	11
1	Bihar	Muzaffarpur.	Vaishali	Harpur Basant and Chakramdas villages.	Excavated remains of stupa together with adjacent land comprised in whole of survey Plot Harpur Basant and Nos. 261, 262, 263, 264, 265, 268, 269, 270 of village Harpur Basant and 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048 and 1049 of village Chakramdas.	Whole of Survey plot Nos. 261, 262, 263, 264, 265, 268, 269, 270 of village Harpur Basant and 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048 and 1049 of village Chakramdas.	5.85 acres.	<p><i>North</i>:—Survey plot No. 254 of village Harpur Basant and survey plot No. 1050 of village Chakramdas.</p> <p><i>East</i>:—Survey plot Nos. 260, 266, 267, and 274 of village Harpur Basant.</p> <p><i>South</i>:—Survey plot Nos. 272 and 273 of village Harpur Basant.</p> <p><i>West</i>:—Survey plot Nos. 1039 and 1116 of village Chakramdas.</p>	Private excepting survey plot No. 269 village Harpur Basant which is owned by the Government of Bihar	The area mentioned under col. 6 is being acquired by the Archaeological Survey of India

[No. F. 4-21/63-C.I.]

**S.O. 2688.**—Whereas the Central Government is of opinion that the ancient monument specified in the Schedule attached hereto is of national importance,

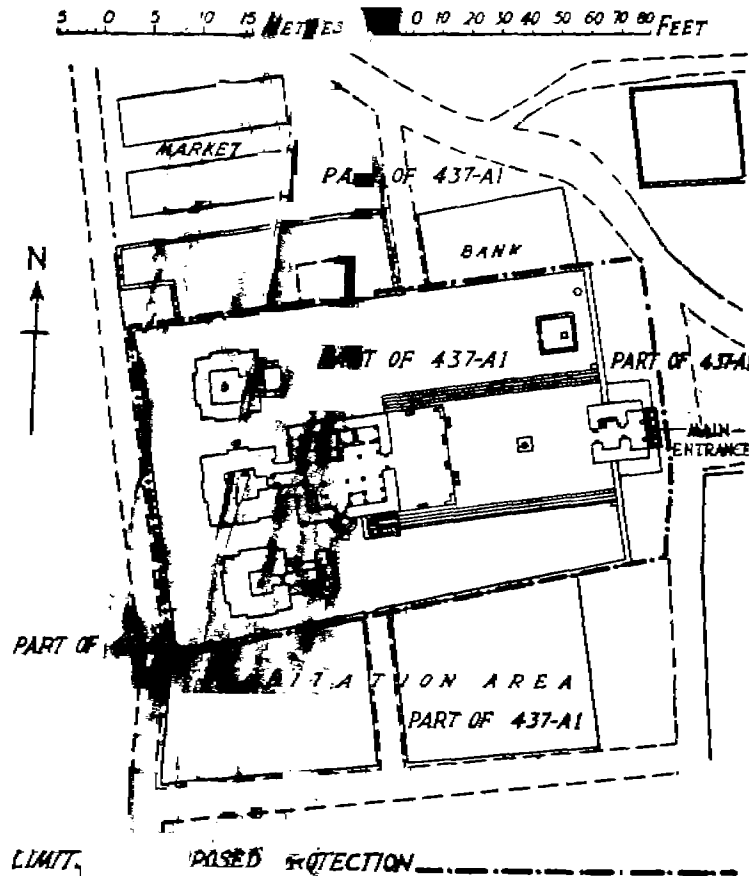
Now, therefore, in exercise of the powers conferred by sub-section (i) of section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby gives notice of its intention to declare the said ancient monument to be of national importance.

Any objection made within two months after the issue of this notification by any person interested in the said ancient monument will be considered by the Central Government.

# SCHEDULE

Sl. No.	State	District	Tehsil	Locality	Name of monument	Revenue plot number to be included under protection	Area	Boundaries	Ownership	Remarks
1	2	3	4	5	6	7	8	9	10	11
1	Andhra Pradesh.	East Godavari.	Ramachandrapuram.	Biccavolu	Golingesvara group of temples together with adjacent land comprised in part of Survey plot No. 437/A1	Part of Survey plot No. 437/A1 as shown in the plan reproduced below.	0.44 Acres.	<p><i>North</i> :—Remain- ing portion of survey plot No. 437/A1-Private house and bank.</p> <p><i>East</i> :— Remain- ing Portion of survey plot No. 437/A1 Public road.</p> <p><i>South</i> :—Remain- ing portion of survey plot No. 437/A1 Private houses.</p> <p><i>West</i> :—Remain- ing portion of survey plot No. 437/A1 Public road.</p>	State Govt. under the control of Hindu Reli- gious and Charitable Endowment Board, Andhra Pradesh.	Under religious worship.

# SITE PLAN OF GOLD RESERVE GROUP OF TEMPLES TIRUVICHAVALU



S.O. 2689.—Whereas the Central Government is of opinion that the ancient monument specified in the Schedule attached hereto is of national importance,

Now, therefore, in exercise of the powers conferred by sub-section (i) of section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby gives notice of its intention to declare the said ancient monument to be of national importance.

Any objection made within two months after the issue of this notification by any person interested in the said ancient monument will be considered by the Central Government.

# SCHEDULE

Revenue plot number to be included under protection	Area	Boundaries	Ownership	Remarks
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7

8

9

10

11

Whole of survey plot Nos. 423/2 and 423/4.	0.13½ Acres.	<i>North</i> :—Survey plot No. 424— habitation area. <i>East</i> :—Survey plot No. 423/3. <i>South</i> :—Survey plot No. 423/3. <i>West</i> :—Survey plot No. 424/3.	Government	Not under worship.
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[No. F. 4-22/63-C.I.]



**S.O. 2690.**—Whereas the Central Government is of opinion that the ancient monument specified in the Schedule attached hereto is of national importance,

Now, therefore, in exercise of the powers conferred by sub-section (i) of section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby gives notice of its intention to declare the said ancient monument to be of national importance.

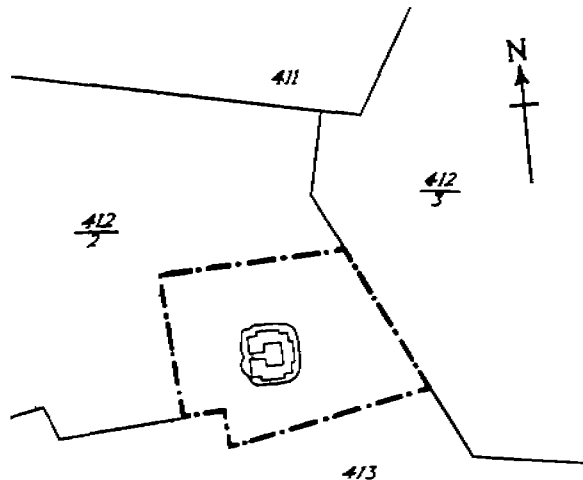
Any objection made within two months after the issue of this notification by any person interested in the said ancient monument will be considered by the Central Government.

**SCHEDULE**

Sl. No.	State	District	Tahsil	Locality	Name of monument	Revenue plot number to be included under protection	Boundaries	Ownership	Remarks
1	2	3	4	5	6	7	9	10	11
1	Andhra Pradesh.	East Godavari.	Ramachandra-puram.	Biccavolu	Kancharagudi together with adjacent land comprised in part of the survey plot No. 412/2.	Part of survey plot No. 412/2 as shown in the plan reproduced below	0.35 Acre.  North :—Remaining portion of survey plot No. 412/2. East :—Survey plot No. 412/3. South :—Survey plot No. 413. West :—Remaining portion of survey plot No. 412/2.	State Government.	Not under worship.

# THE PLAN OF KANCHARAGUDI TEMPLE AT BICCAVOLU

20 0 20 40 METRES  
50 0 50 100 150 FEET



LIMITS OF PROPOSED PROTECTION — — — — —

[No. F. 4-22/63-C.I.]

**S.O. 2691.**—Whereas the Central Government is of opinion that the ancient monument specified in the Schedule attached hereto is of national importance.

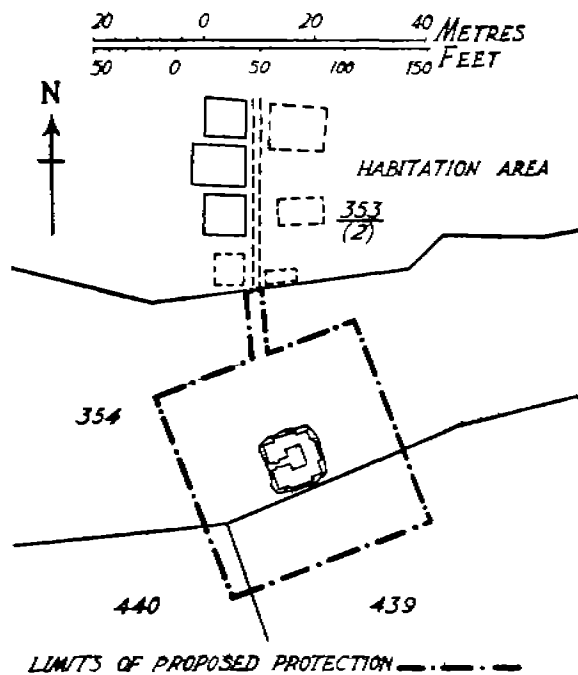
Now, therefore, in exercise of the powers conferred by sub-section (i) of section 4 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby gives notice of its intention to declare the said ancient monument to be of national importance.

Any objection made within two months after the issue of this notification by any person interested in the said ancient monument will be considered by the Central Government.

SCHEDULE

SL No.	State	District	Tehsil	Locality	Name of monument	Revenue plot number to be included under protection	Area	Boundaries	Ownership	Remarks
1	2	3	4	5	6	7	8	9	10	11
1	Andhra Pradesh	East Godavari.	Rama-chandra-puram.	Biccavolu	Nakkalagudi together with adjacent land comprised in part of survey plot Nos. 439, 440 and 354.	Part of survey plot Nos. 439, 440 and 354 as shown in the plan reproduced below.	0.37 acres.	<p><i>North</i> :—Survey plot No. 353/2 and remaining portion of survey plot No. 354.</p> <p><i>East</i> :—Remaining portion of survey plot Nos. 354 and 439.</p> <p><i>South</i> :—Remaining portion of survey plot Nos. 439 and 440.</p> <p><i>West</i> :—Remaining portion of survey plot Nos. 440 and 354.</p>	Government	Not under worship.

# SITE PLAN OF NAKKALAGUDI TEMPLE AT BICCAVOLU



[No. F. 4-22/63-C.I.]

**S.O. 2692.**—Whereas the Central Government considers that the antiquity specified in the Schedule below ought not to be moved from the place where it is without the sanction of the Central Government.

Now, therefore in exercise of the powers conferred by sub-section (1) of section 25 of the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958), the Central Government hereby directs that the said antiquity shall not be moved from the place where it is except, with the written permission of the Director General of Archaeology.

SCHEDULE

State	District	Taluk	Locality	Name of antiquity	Ownership	Remarks
1	2	3	4	5	6	7
Andhra Pradesh	East Godavari	Ramachandrapuram.	Biccavolu	Monolith Ganesa image in S.No. 409/3.	Government	

[No. F. 4-22/63-C.I.]

T. S. KRISHNAMURTI, Dy. Secy.

*New Delhi, the 12th September 1963*

**S.O. 2693.**—The Lok Sabha having elected Shri K. Hanumanthaiya to be a member of the Council in pursuance of clause (k) of sub-section (2) of section 31 of the Institutes of Technology Act, 1961 (59 of 1961), the Central Government hereby makes the following amendment in the notification of the Government of India in the Ministry of Scientific Research and Cultural Affairs No. F. 24-5/62-T. 6 dated the 9th May, 1962, namely:—

In the said notification, under the heading "V. Representatives of the Parliament", in item (k), for the existing entry (i), the following entry shall be substituted, namely:—

"(i) Shri K. Hanumanthaiya, Member, Lok Sabha, New Delhi".

[No. F. 25-3/63-T.6.]

**S.O. 2694.**—In exercise of the powers conferred by sub-section (2) of section 1 of the Institutes of Technology (Amendment) Act, 1963 (29 of 1963), the Central Government hereby appoints the 13th day of September, 1963, as the date on which the said Act shall come into force.

[No. F. 24-19/63-T.6.]

*New Delhi, the 13th September 1963*

**S.O. 2695.**—The Institutes of Technology (Amendment) Act, 1963 (29 of 1963) having come into effect from the 13th September, 1963, the following amendment is hereby made in the notification of the Government of India in the Ministry of Scientific Research and Cultural Affairs No. F. 24-5/62-T.6 dated the 9th May, 1962, namely:—

In the said notification, under the heading "I. Ex-officio members", in item (b), add the following entry, namely:—

"(v) the Chairman, Indian Institute of Technology, Delhi".

[No. F. 25-3/63-T.6.]

L. S. CHANDRAKANT,  
Joint Educational Adviser (Tech.)

## MINISTRY OF RAILWAYS

(Railway Board)

New Delhi, the 9th September 1963

**S.O. 2696.**—In exercise of the powers conferred by the proviso to Article 309, of the Constitution, the President is pleased to make the following amendments to the Railway Services (Authorised Pay) Rules, 1960, published with the Ministry of Railway's Notification No. PC-59/ROP-1/1, dated 2nd August, 1960, as last amended vide Notification No. PC-60/ROP-1/9, dated 26th July, 1962, namely:—

- (i) In the Railway Services (Authorised Pay) Rules, 1960, the existing sub-rule (2) of rule 13, should be re-numbered as sub-rule (3) and before the sub-rule as so re-numbered, the following sub-rule should be inserted, namely:—

“(2) Nothing contained in sub-rule (1) shall apply to the fixation of pay under this rule of a pre-1931, entrant who has retained the pre-1931, scales as a whole, on his appointment to a post which does carry a pre-1931, scale of pay. For the purpose of fixation of pay under the Railway Fundamental Rules, his pay in the existing scale shall be deemed to be the pay *plus* dearness pay and dearness allowance reduced by the dearness allowance at the revised rates, if any, appropriate to this pay in the existing scale.”

- (ii) In the Explanatory Memorandum on the Railway Services (Authorised Pay) Rules, 1960, the explanation relating to “Rule 13(2)” shall be re-numbered as relating to “Rule 13(3)” and before the explanation to rule 13(3) as so re-numbered, the following shall be inserted, namely:—

“Rule 13(2). This relates to the fixation of pay of a pre-1931 entrant who has retained the pre-1931, scales as a whole, *w.e.f.*, 1st July, 1959, on his appointment to a post which does not carry a pre-1931, scale of pay. An example to illustrate the method of pay fixation under this clause is given below:—

“A” was a pre-1931, entrant who had elected the pre-1931, scales as a whole and was drawing a basic pay of Rs. 222 per month in the existing pre-1931, scale of Rs. 60—5—110—8—230. On 1st March, 1961, he was promoted to a higher post which carries only the authorised scale of pay of Rs. 210—10—290—15—320. His pay in the higher post would be fixed as follows:—

Details of the case:—

Deemed pay in the existing scale on the date of promotion.	(i) Pay . . . . .	Rs. 222/-
	Dearness Pay, Dearness Allowance including interim relief . . . . .	Rs. 70/-
	<b>TOTAL . . . . .</b>	<b>Rs. 292/-</b>

For the purpose of fixation of pay in the higher post the ‘pay in the existing scale’ should be reduced by the Dearness allowance of Rs. 20 admissible at the revised rates, appropriate to the pay in the existing scale. This would come to Rs. 272 (Rs. 292 minus Rs. 20) and on the basis of this amount, he is entitled to the next higher stage of Rs. 280 in the authorised scale of Rs. 210—10—290—15—320. The emoluments admissible to him on the date of promotion are, therefore, Rs. 280 P.M. as basic pay and Rs. 20 P.M. as dearness allowance *i.e.*, Rs. 300 P.M. in all.

2. These amendments shall be deemed to have come into force on the 1st day of July, 1959.

[No. PC-63/ROP-1/23.]

P. C. MATHEW,

Secy. Railway Board.



## DELHI DEVELOPMENT AUTHORITY

*New Delhi, the 4th September 1963*

**S.O. 2697.**—In consequence to the recent elections of the Municipal Corporation of Delhi the Committees mentioned in Col. No. (1) of the statement given below have elected members shown in Col. (3) to act as their representatives on the Advisory Council of the Delhi Development Authority in place of the outgoing members shown in Col. No. (4).

Name of the body electing the members with date	Section of the D.D. Act under which elected	Name of members now elected	Names of the outgoing members in whose place those in Col. (3) elected
1	2	3	4
Delhi Transport Committee— 19-6-1963.	5(2)(c)(ii)	Shri Amar Nath Chawla	Shri Daroga Mal.
Delhi Water Supply and Sewage Disposal Committee—23-6-1963.	5(2)(c)(iii)	Shri H. K. L. Bhagat	Shri Khub Ram Jajoria

Now, therefore, in pursuance of the provisions of Section 5 of the Delhi Development Act, 1957, (No. 61 of 1957), the Delhi Development Authority makes the following amendments to Notification No. F. 1 (33)58-GA, dated 26th December, 1958, 22nd June, 1961, 25th July, 1962, 24th October, 1962, and 15th January, 1963, constituting the said Advisory Council.

### *An endment*

Sl. No.	In Item No.	For entries	Substitute
1	(5)	(2) Shri Daroga Mal, Chairman, Delhi Transport Committee.	(2) Shri Amar Nath Chawla, Chairman, Delhi Transport Committee. (w.e.f. 19-6-1963).
		(3) Shri Khub Ram Jajoria, Chairman, Delhi Water Supply and Sewage Disposal Committee.	(3) Shri H. K. L. Bhagat, Chairman, Delhi Water Supply and Sewage Disposal Committee. (w.e.f. 28-6-63).

Sd./- BALBIR SINGH SAIGAL,  
Engineer Member,  
Delhi Development Authority.  
[No. F. 1(33)/58-GA.]

### CORRIGENDUM

*New Delhi, the 21st September 1963*

**S.O. 2698.**—In this office Notification No. L2(32)56 dated 23rd April 1963 published as S.O. 1187 in the Gazette of India dated 27th April 1963 read 860 sq. yds. instead of 806 sq. yds. in the Schedule of the Notification.

[No. L2(32)56.]

R. K. VAISH, Secy.

**MINISTRY OF WORKS, HOUSING & REHABILITATION****(Department of W. & H.)***New Delhi, the 11th September 1963*

**S.O. 2699.**—In exercise of the powers conferred by sub-sections (1) and (2) of section 4 of the Rajghat Samadhi Act, 1951 (41 of 1951), the Central Government hereby nominates Shri Dharma Vira, Chief Commissioner, Delhi to be an official member and also appoints him as the Chairman of the Rajghat Samadhi Committee *vice* Shri Bhagwan Sahay and makes the following further amendments in the notification of the Government of India in the then Ministry of Works, Housing & Supply No. 19,2/62-WI, dated the 22nd August, 1962, namely:—

In the said notification, for the name of "Shri Bhagwan Sahay" in the two places where it occurs, the following shall be substituted, namely:—

"Shri Dharma Vira."

[No. 19/2/62-WI.]

S. CHAUDHURI, Dy. Secy.

**(Department of Rehabilitation)***New Delhi, the 9th September 1963*

**S.O. 2700.**—Whereas the Central Government is of the opinion that it is necessary to acquire the evacuee properties in the State of Uttar Pradesh, specified in the Schedule below for a public purpose, being a purpose connected with the relief and rehabilitation of displaced persons including payment of compensation to such persons.

Now, therefore, in exercise of the powers conferred by Section 12 of the Displaced Persons (Compensation and Rehabilitation) Act, 1954 (44 of 1954), it is notified that the Central Government has decided to acquire and hereby acquires the said evacuee properties. (Specified in the schedule below).

**SCHEDULE**

Sl. No.	Particular of Property	Name of the Locality Town in which E.P. Situated	Name of the Evacuee
1	2	3	4
1.	House No. 27, Mohalla Wallasleyganj, District Mirzapur.	Mohalla Wallasleyganj, Distt. Mirzapur	Sri Mohd. Zahcerudd'n.

[No. F. 1(1217)58/Comp. III/Prop/Comp &amp; Prop.]

M. J. SRIVASTAVA,

Settlement Commissioner & *Ex-Officio*, Under Secy.**(Department of Rehabilitation)****(Office of the Chief Settlement Commissioner)***New Delhi, the 11th September 1963*

**S.O. 2701.**—In exercise of the powers conferred by sub-section (i) of Section 6 of the Administration of Evacuee Property Act, 1950 (XXXI of 1950), the Central Government hereby appoints for the State of Rajasthan, Shri B. M. Lal, Assistant Settlement Officer, in the office of the Regional Settlement Commissioner, Jaipur, as Assistant Custodian for the purpose of discharging the duties assigned to such officers by or under the said Act with immediate effect.

[No. 8(235)ARG/62.]

New Delhi, the 13th September 1963

**S.O. 2702.**—In exercise of the powers conferred by sub-section (1) of Section 6 of the Administration of Evacuee Property Act, 1960 (XXXI of 1950), the Central Government hereby appoints for the State of Rajasthan, Shri V. G. Pahlajani, Managing Officer in the Office of the Regional Settlement Commissioner, Jaipur as Deputy Custodian for the purpose of discharging the duties assigned to such officer by or under the said Act, with immediate effect.

[No. VIII(12)Prop(Admn)/57/ARG.]

KANWAR BAHADUR,

Settlement Commissioner (A) & Ex-Officio, Dy. Secy

## MINISTRY OF LABOUR AND EMPLOYMENT

New Delhi, the 9th September 1963

**S.O. 2703.**—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following further amendments in the notification of the Government of India in the Ministry of Labour and Employment, No. S.O. 2665, dated the 2nd November, 1961, namely:—

In Schedule IV to the said notification,

- (i) against Serial No. 2,  
the entries "Karanja" and

- "1. M/s. Goenka Oil Mills.
2. M/s. Mofussil Oil & Pulse Mills.
3. M/s. Lahoti Oil Mills.
4. M/s. Arun Oil Mills.
5. M/s. Prabhakar Oil Industries."

occurring in columns 4 and 5 respectively shall be omitted;

- (ii) against Serial No. 12,  
the entries "Khaperkheda" and "M/s. The Supdt. Power Station  
Khaperkheda."

occurring in columns 4 and 5 respectively shall be omitted.

[No. F. HI-6(141)/59.]

**S.O. 2704.**—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government, having regard to the location of the factories mentioned in the Schedule appended to this notification in sparse areas in the State of Uttar Pradesh, hereby exempts the said factories from the payment of the employers' special contribution payable under Chapter VA of the said Act, until the enforcement of the provisions of Chapter V of that Act, in those areas.

### SCHEDULE

Sl. No.	Name of District	Name of the area	Name of the factory
1	2	3	4
1.	Mertut	Birut	Agricultural Iron Industries
2.	Unnao	Magarwara	Rail Chemicals Ltd. Hydro Electric.
3.	Varanasi	Bhadoi	Sub-Division

[No. F. 6(101)/63-HI.]

**S.O. 2705.**—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government hereby makes the following amendments in the notification of the Government of India in the

Ministry of Labour and Employment No. S.O. 2872, dated the 11th September, 1962, namely:—

In the Schedule to the said notification,

against Serial No. 1  
the entries "Karanja" and

- "1. M/s. Karanja Cotton Gin Factory & Oil Mill.
2. M/s. Karanja Solvent Extraction Company".

occurring in columns 3 and 4 respectively shall be omitted.

[No. F. 6(40)/62-HI.]

*New Delhi, the 12th September 1963*

**S.O. 2706.**—In exercise of the powers conferred by section 73F of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government, having regard to the location of the factory in implemented area, hereby exempts the Electric Sub-Station No. IV, New Delhi Municipal Committee, Market Lane, New Delhi, from the payment of the employers' special contribution leviable under Chapter V-A of the said Act for a period of one year with effect from the 4th September, 1963.

[No. F. 6(115)/63-HI.]

#### CORRIGENDA

*New Delhi, the 9th September 1963*

**S.O. 2707.**—In Schedule III to the notification of the Government of India in the Ministry of Labour and Employment No. S.O. 861, dated the 13th March, 1963, published on pages 943—953 in Part II, Section 3, Sub-section (ii), of the Gazette of India, dated the 23rd March, 1963,

in column 5,

- (i) against serial No. 5, for "Sri Jayalaxmi Silk Factory, Vetalpalam", read "Sri Jayalaxmi Silk Factory, Vetlapalem";
- (ii) against serial No. 6, for "A. P. Krishna Murthy & Co., Uppuguntur"; read "A. P. Krishna Murthy & Co., Uppugundur";
- (iii) against serial No. 18, for "Venkatasatyanarayana Rice & Oil Mill, Anakapalli", read "Sri Venkatasatyanarayana Rice & Oil Mill, Ankapalli";
- (iv) against serial No. 18, for "2. Jigdam Rajalingalah Rice & Oil Mill, Jan-gaon", read "2. Jigdam Rajalingalah Rice & Oil Mill, Jangaon".

[No. F. HI-6(141)/59.]

O. P. TALWAR, Under Secy.

*New Delhi, the 10th September 1963*

**S.O. 2708.**—In pursuance of sub-section (4) of section 3 of the Mica Mines Labour Welfare Fund Act, 1946 (22 of 1946), the Central Government hereby publishes the following report of the activities financed from the Mica Mines Labour Welfare Fund during the year ending the 31st March, 1963, together with a statement of accounts for that year and an estimate of receipts and expenditure of the said Fund for the year 1963-64.

#### PART I

**General.**—The Mica Mines Labour Welfare Fund constituted under the Mica Mines Labour Welfare Fund Act, 1946 (22 of 1946), is intended to provide educational, recreational and other welfare amenities to the labour employed in the mica mining industry.

The Act provides for the levy of a duty of customs on all mica exported from India upto a maximum rate of 6½ per cent. *ad valorem*. The present rate is 2½ per cent.

The collections are allocated for expenditure on welfare measures among the various Mica-producing areas in proportion to their average production.

The following welfare measures have so far been undertaken in Bihar, Andhra Pradesh and Rajasthan:

(i) *Improvement of medical facilities.*—

(a) *Hospitals.*—The bed strength of Central Hospital at Karma (Bihar) has been raised from 70 to 100. Besides this, a 15-bed hospital at Tisri (Bihar) and a 14-bed hospital at Kalichedu (Andhra Pradesh) cater to the medical needs of the mica miners. The construction of a 30-bed hospital at Gangapur (Rajasthan) has been completed and the construction of a 50-bed T.B. hospital as an adjustment to the Central Hospital, Karma is in progress. A T.B. ward of 16 beds is to be added as an adjunct to the Hospital at Kalichedu.

(b) *Other medical facilities.*—Other medical institutions set up by the Fund comprise 5 static dispensaries, 3 mobile medical units, 3 ayurvedic dispensaries, 2 maternity and child welfare centres and 5 community centres in Bihar; 3 static dispensaries, one mobile dispensary, 1 ayurvedic dispensary and 4 maternity centres in Andhra Pradesh; and 9 dispensary-cum-maternity and child welfare centres, 5 mobile medical units, 12 ayurvedic dispensaries and 4 multipurpose centres in Rajasthan.

Establishment of a Health Promotion Centre in mica fields of Bihar has been sanctioned. The Centre will do periodically medical check-up of mica miners and their families to detect, in early stages, diseases occupational and otherwise.

Ten beds in the T.B. Sanatorium at Ranchi and Eleven beds in T.B. Hospital, Nellore have been reserved for the exclusive use of the mica miners and their families. Arrangement was made for treatment of mica miners of Bihar suffering from leprosy at the Tetulmari Leprosy Hospital. The Fund makes grants-in-aid to these institutions for the reservation of beds.

(c) *Assistance to T.B. Patients.*—A subsistence allowance at Rs. 50 p.m. is being granted to the dependents of mica miners who are under treatment in the T.B. ward attached to the Central Hospital, Karma or at the T.B. Sanatorium, Ranchi. The scheme of domiciliary treatment of T.B. and silicosis patients was also continued. The patients attending the out-door department of T.B. Hospital, Nellore were granted travelling allowance. A Rehabilitation-cum-convalescence Home has been set up in Bihar for workers cured of T.B.

(d) *Training.*—The mica miners in Andhra Pradesh are being trained in first aid.

(ii) *Educational facilities.*—Seven multi-purpose institutes, each with an Adult Education Centre and a Women's Welfare Centre, provide educational and recreational facilities to workers in Bihar. Training in handicrafts like sewing and knitting is given to women attending the centres. Each institute serves as a training-cum-production centre. One community centre is functioning in Andhra Pradesh where male workers learn carpentry in their leisure time. In 2 women's centres in Andhra Pradesh and 8 centres in Rajasthan, girls and women workers are taught tailoring stitching, etc. Educational facilities for miner's children are being provided in 6 primary schools, 7 community centres and 6 feeder centres in Bihar; 2 primary schools, one middle school and 25 adult education Centres in Rajasthan; and 6 primary schools, one High School and one Middle School in Andhra Pradesh.

In all the schools in Andhra Pradesh, children are provided with facilities like free mid-day meals, milk, books, slates, clothing, bags and chappals. Milk and snacks are provided to the miners' children attending the multipurpose institutes in Bihar. Mid-day meals, books, slates and other stationery articles are supplied to the school-going children of mica miners in Rajasthan.

Two boarding houses in Bihar and two in Andhra Pradesh are being run for the children of mica miners studying in schools and colleges.

Scholarships are granted to the children of mica miners studying in schools and colleges in Bihar and Rajasthan, such scholarships are granted for both general and technical education.

(iii) *Recreational facilities.*—Three mobile cinema units, 2 in Bihar and one in Rajasthan, give free shows in different mining centres; 18 Radio sets in Bihar; 18 in Andhra Pradesh and 25 in Rajasthan provide recreation to mica miners and

their families. In Bihar the recreational facilities are provided at Multi-purpose, Community and Feeder Centres. Out-door and in-door recreational facilities are also provided at the centres and sub-centres in Rajasthan. Bhajan parties and recreational clubs have also been set up in different mining areas.

(iv) *Drinking water facilities.*—29 wells—25 in Bihar and 4 in Andhra Pradesh have been constructed by the Fund. 10 additional wells, 3 in Bihar and 7 in Andhra Pradesh have been sunk under the Subsidy Scheme, according to which the mine owners who sink wells get a subsidy equal to Rs. 7,500 per well or 75 per cent. of the cost of construction, whichever is less. The construction of 4 more wells under this scheme is in progress in Andhra Pradesh. A dam has also been constructed in Bihar.

(v) *Housing Facilities—*

(i) *Low Cost Housing Scheme.*—As there was no response to the various earlier housing schemes introduced from 1953, a low-cost housing scheme for construction of 500 low cost houses costing about Rs. 1,300 each, was sanctioned in July, 1962, for Bihar region. The houses constructed at the cost of the Fund will be handed over to mine owners who besides being responsible for their maintenance will pay nominal rent of Re. 1 to Rs. 2 per month per house and allot the houses free of rent to the mica miners.

(ii) *Departmental Colonies.*—In addition to the above scheme construction of two departmental colonies of 50 houses each—each house costing Rs. 2,500 is nearing completion in Bihar at Dhorakola and Jorasimar at the cost of the Fund. Five more similar colonies are proposed to be built in Bihar. These houses will be let out to mica miners free of rent through mine owners who will pay nominal rent to the Fund.

(iii) A 'Build Your Own House' Scheme is also under consideration. The scheme envisages financial assistance in the form of cash or building material to the mica miners to the extent of Rs. 325 for the purpose of improving their village houses. Technical assistance in the matter will be provided by the Fund.

(vi) *Financial help in case of accidents.*—The Scheme relating to the grant of financial assistance from the Fund to the widows and children of mica miners who die as a result of accidents was continued.

PART II—STATEMENT OF ACCOUNTS FOR THE YEAR 1962-63

Receipts	Rs.	Expenditure*	Rs.
Opening balance on the 1st April, 1962	2,04,61,863	Andhra Pradesh	4,51,384
		Bihar	17,79,932
*Receipts during the year	28,19,307	Rajasthan	3,77,968
		Closing balance	2,06,71,886
	2,32,81,170		2,32,81,170
*Provisional figures			

PART III—@ESTIMATES OF RECEIPTS AND EXPENDITURE 1963-64

Receipt	..	25,00,000
Expenditure	..	
Andhra Pradesh	5,33,000	
Bihar	17,54,000	
Rajasthan	8,26,000	31,13,000

@Accepted for Budget estimates for 1963-64.

[ No. 23(12)/63-M III ]

R. C. SAKSENA, Under Secy

New Delhi, the 10th September 1963

**S.O. 2709.**—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Dhanbad, in the industrial dispute between the employers in relation to the Katras Choitodih, Loyabad, Mudidih, Badruchak, Bhagaband and Saltore Collieries and their workmen, which was received by the Central Government on the 6th September, 1963.

**BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, DHANBAD**

In the matter of a Reference under Section 10(1)(d) of The Industrial Disputes Act, 1947 (XIV of 47).

REFERENCE No. 87 OF 1961

**PARTIES:**

Employers in relation to the Katras Choitodih, Loyabad, Mudidih, Badruchak, Bhagaband and Saltore Collieries.

**AND**

Their workmen.

**PRESENT:**

Sri Raj Kishore Prasad, M.A.B.L., Presiding Officer.

**APPEARANCES:**

For the Employers—Shri S. S. Mukherjea, Advocate.

For the Workmen—Sri D. Narsingh, Advocate.

**STATE:** Bihar.

**INDUSTRY:** Coal.

Dhanbad, dated the 14th May, 1963

#### AWARD

Ministry of Labour and Employment, Government of India, by its Order No. 3/36/60-LRII, dated the 11th December, 1961, referred an industrial dispute existing between the employers in relation to the Katras Choitodih, Loyabad, Mudidih, Badruchak, Bhagaband and Saltore collieries and their workmen, under Section 10(1)(d) of The Industrial Disputes Act, 1947, for adjudication to this Tribunal in respect of the following matters:

- “(i) Taking into account the Award of the Industrial Tribunal, Dhanbad, published with the notification of the Government of India in the Ministry of Labour and Employment No. S.O. 570, dated the 29th February, 1960, in the Gazette of India, Part II, Section 3, Sub-section (ii), dated the 5th March, 1960, what should be the quantum of sick leave with full wages due to the workmen and the conditions governing the grant of sick leave?
- (ii) Whether the directions to be given by the Tribunal on the aforesaid issue will take effect from the date of enforcement of the said award and if not, with effect from which date?”

2. The workmen concerned represented by the Colliery Mazdoor Sangh, Dhanbad, filed their statement of claim on 19th May, 1962 and the management also filed its written statement, by way of rejoinder, on 2nd June, 1962.

3. The case of the workmen concerned in their written statement, was that there had been a long standing practice in their Collieries that the employers have been granting to their monthly paid workers leave with full wages to the full extent required by the circumstances of each case without any ceiling whenever they fell sick and were, therefore, unable to report for work; that the aforesaid privilege of unlimited sick leave during the period of illness with full wages used to be enjoyed by the workmen without interruption and as a matter of right, evolved out of long practice and custom; that in 1957, however, the employers suddenly, arbitrarily and illegally made an alteration in the aforesaid privilege of the workmen, which had also ripened into a condition of their service by long standing custom and practice, only by paying sick Khoraki a mere lump sum allowance, instead of wages, at the rate of Rs. /10/- per day with no Dearness Allowance thereon nor was the said allowance taken into computation while calculating the quarterly bonus of the workmen under the Coal Mines Bonus Scheme, 1948, nor was the said allowance subject to any deduction on account of Provident Fund under the Coal Mines Provident Fund Scheme, 1948; that the aforesaid alteration in the conditions of service of the monthly-paid workmen of the Collieries concerned raised an industrial dispute, which was referred on 28th September, 1959 to this Tribunal for adjudication; that the Tribunal gave its award (which may be called the *Palit Award*) on 19th February, 1960, but left

the amount of sick leave open till such time as the matter was decided otherwise by an industry-wise decision governing the matter; that, thereafter, there has been no industry-wise award on this subject which could be said to have superseded the award of 1960; that, on the other hand, para 351(1) of the Decision of the Labour Appellate Tribunal in Coal Appeals and para 10 under Demand No. 15, at page 82, of the Award of Sri A. Das Gupta (which may be called *Das Gupta Award*), in the Collieries Disputes Arbitration, directed the privileges to be enjoyed by the workmen by providing that:

"Where the workmen are enjoying better facilities such facilities shall be continued."

that, therefore, the workmen were entitled to enjoy unlimited sick-leave with full wages whenever they fell ill, as they used to enjoy before the 31st December, 1956; that as the period of sick-leave to be enjoyed by the workmen with full pay had not been determined by this Tribunal in 1960, the present dispute was raised; that, therefore, the monthly-paid workmen of the Collieries concerned were entitled to sick-leave with full wages whenever they fell ill, after they go home on earned leave, on the condition that their sickness is certified by Government Doctor of the place and if rest and leave are recommended by him.

4. The defence of the employers was that the present reference was invalid and beyond the jurisdiction of the Tribunal because of the award of 1960 in Reference No. 59 of 1959, which is still in force and which held that the amount of 'sick leave' is an industry-wise matter and "the existing privilege of sick leave" will continue till such time this demand is decided by industry-wise decision; that sick leave with pay was being granted to the employer on proper certificate from the Company's medical officers at the discretion of the management and it was not a condition of service of the monthly paid employees to obtain sick leave with pay for any unlimited period nor was the same an unqualified privilege enjoyed by them; that the award of Sri A. Das Gupta of 1959, dated 30th December, 1959, has directed that 'sick khoraki' shall be available to the workmen at half their wages (basic and dearness allowance) for a period of 14 days in a year" and "where sick-khoraki is being paid for more than 14 days it shall continue to be paid in excess of 14 days at which rate it is being paid at present"; that Shri A. Das Gupta, in his award just mentioned, limited the sick-leave to 14 days with half their wages for the period, and, therefore, as this award has standardised the quantum of sick-leave and wage during the period of illness which will be available to all workmen, the monthly-paid staff cannot claim any preferential or discriminatory treatment in this regard; that by a strike notice, dated 23rd January, 1962, the General Secretary, Colliery Mazdoor Sangh, demanded, amongst others, 21 days' "sick-leave" for all the employees; that, therefore, it be held by this Tribunal that all workmen will be entitled to 14 days' sick-leave in a year with half their wages (basic plus dearness allowance) during this period and the above sick-leave will be available only to permanent workman with continuous service for a period of one year, that is, after he puts in 240 days attendance in a continuous period of 12 months and if he resides within the colliery premises during the period and is certified to be sick by the Colliery doctor, and, the above directions should take effect after the award comes into force.

5. Sri D. Narsingh, Advocate, appearing on behalf of the workmen, submitted that (1) the workmen concerned should get, as before 1957, sick-leave with full wages till the whole period of sickness till recovery or death; (2) this privilege enjoyed by the workmen before 1957 of getting sick-leave for the whole period of illness for an unlimited period for the whole period of illness with full wages had become by long practice a condition of service of these workmen concerned, and, therefore, there can be no change in their conditions of service without any notice under Section 9A of the Act and this not having been done the change of granting, from and after 1957, only 14 days sick-khoraki was illegal; and (3) the directions given by this Tribunal in Reference No. 59 of 1959 should have retrospective effect.

6. Sri S. S. Mukherjee, Advocate, appearing for the management, combated the above contentions of Sri D. Narsingh by countering that (1) the present reference was barred by the principles of *res judicata* both on the question of leave and on question of conditions governing the sick-leave in view of the *Palit Award* in Reference No. 59 of 1959 dated 19th February 1960; (2) industry-wise decision, as directed in *Palit's Award* was taken by framing model Standing Orders for Coal Mining Industry, and, therefore, the certified standing orders of these collieries being silent on the question of amount of sick-leave and conditions governing such sick leave, the model Standing Orders should prevail, and, accordingly, model Standing



Order No. 10(c), *Exhibit M. 2*, should govern the present case; (3) Sri Das Gupta, in his award of 30th December 1959, allowed (a) 14 days' sick leave, (b) wages for 14 days, and, (c) beyond 14 days' wages at Rs. -/10/- per day as *sick-khoraki* as is at present the practice, and the Labour Appellate Tribunal say nothing on this question as this matter was not raised before it, and, therefore, the present reference should be answered according to Sri A. Das Gupta's award which should be taken as industry-wise settlement, and, (4) the Union itself claimed 21 days' sick leave and not unlimited leave, as claimed now, and, therefore, the claim of the workman now put forward for an unlimited period of sick leave was not justified.

7. None of the two parties adduced any oral evidence and examined any witness. The management, however, filed certain documents, which were marked as Exhibits M. to M. 2, without objection by the workmen concerned. But the workmen did not file any document at all.

8. The crux of the matter, which really is the bone of contention between the parties, is whether the workmen are entitled to an unlimited period of leave with full wages, as they used to get before 1957, as claimed by the workmen, or whether they are entitled only to 14 days' sick-leave with half wages for 14 days, and, beyond 14 days at -/10/- per day, as *sick-khoraki*, as is the present practice since 1957, as claimed by the management.

9. Before I proceed to decide the question at issue, in my opinion, it would be useful to set out the actual position of *Palit Award*, *Das Gupta Award* and Labour Appellate Tribunal decision on the question under adjudication.

#### PALIT AWARD

10. Reference No. 59 of 1959, award in which has been directed to be taken into account in answering the Issue No. 1 of the two items of dispute referred to for adjudication to this Tribunal, was referred on 28th September 1959 and by the said reference under Section 10(1)(d) of the Act the following industrial dispute was referred:

"(a) Whether the management of Katras-Choitodih, Loyabad, Mudidih, Badruchak, Bhagaband and Saltore Collieries are justified in withdrawing the old privilege of sick-leave with pay for unlimited period enjoyed by their monthly paid staff upto December 1956?"

(b) If not, to what relief the workmen are entitled?"

11. Late Sri G. Palit, Presiding Officer of this Tribunal, gave his award on 19th February 1960, and answered the reference in favour of the workmen concerned by holding, as will be found, in para 10 (wrongly typed as para 9) of the Award that:

"The management is not justified in interfering with the existing privilege of sick leave as is in vogue prior to the changed condition sought to be introduced by the aforesaid two letters (that is dated 3rd January 1957 and 12th December 1957 from the Chief Mining Engineer, of the Sijua Colliery). So the *status quo ante* immediately preceding the said letters should be restored in the matter of sick leave with pay in the case of monthly paid staff. This will continue till such time as the matter is decided otherwise by an industry-wise decision governing the matter."

He further directed that his award will be prospective from the date it became operative.

Sri Palit, in para 9 of award, earlier observed that:

"9. Of course, from the exhibits in this case I find that it was the management which curtailed the period of leave asked for by the monthly paid staff. But it did so with an eye to the gravity of the disease and its probable duration as certified by the company's doctor and also on other considerations which were discretionary."

Sri S. S. Mukherjea on behalf of the management, placed strong reliance on the above observation of Sri Palit on the question that the present reference was barred by the principles of *res judicata* in view of the said Palit Award.

#### DAS GUPTA AWARD

12. On 16th June 1959 Government of India forwarded an agreement entered into by the Organisers of Employers with the Association of Employers and Workers

in relation to the Coal Mining Industry, mentioned therein, for arbitration of 31 items of dispute to Sri A. Das Gupta. One of such issues was Issue No. 15 regarding Revision of the rates of 'sick khoraki.' On this question, in para 10 of his award, under Issue No. 15, Sri Das Gupta, at page 82 of the printed Award, observed:

"I am accordingly to direct that *Sick khoraki* shall be available to the workmen at half their wages (basic and dearness allowance) for a period of 14 days in a year. Where *sick khoraki* is being paid for more than 14 days in a year it shall continue to be paid in excess of 14 days at the rate at which it is being paid at present. Where the workmen are enjoying better facilities such facilities shall be continued."

#### COAL AWARD: MAJUMDAR AWARD

13. Earlier, in 1954 Government of India constituted an All India Industrial Tribunal (Colliery Disputes) for adjudication of industrial disputes concerning the coal mines which were specified in the schedule attached to the said reference made to the Tribunal. In that case, the question of sick-leave was not under consideration as no item of dispute was referred to it. The Tribunal gave its award, which is commonly known as *Majumdar Award*, which was published in the Gazette of India on 26th May 1956. There was an appeal by the workmen of the Collieries in that dispute to the Labour Appellate Tribunal which gave its decision on 29th January 1957. As the question of sick-leave in any form, either regarding its quantum or its conditions, was not before Majumdar Tribunal and no decision was given on it by Majumdar Tribunal, there was naturally no question raised on appeal before Labour Appellate Tribunal, and, therefore, this question is not dealt with in its decision. In para 351 of its decision, however, which dealt with 'General Directions And Explanations To Obviate Doubts', the Labour Appellate Tribunal, at page 130 of its printed decision, observed:

"351. To obviate any doubts that may arise in the implementation of this decision, we make the following general directions:—

"1. All existing privileges and amenities including free housing, free supply of coal, medical and educational facilities, *sick allowance*, kerosene, mustard oil, baskets and tools, uniforms, servant allowance etc. should continue as heretofore."

14. After referring to the aforesaid three Awards, on which reliance was placed by both the parties, and to the extracts of the said decisions, reproduced above, which were placed before me, I now proceed to decide the first question first.

#### Issue No. 1.

15. Before, however, I proceed to answer Issue No. 1, it will be useful to reproduce Para 10(c), Exhibit M. 1, of the Model Standing Orders for Coal Mining Industry, Exhibit M. 2, as it was conceded by both the parties, that the Certified Standing Orders of the Collieries concerned are silent on the question of sick-leave. Para 10(c) is as below:

#### 10. Festival holidays and leave—

(c) Subject to certification as hereinafter provided, any workman who has completed a period of 'twelve months' continuous service, shall be entitled to sick-leave at half his wages (basic and dearness allowance) for a period of fourteen days in a year. Application for sick-leave for three days or more shall be supported by a certificate of the Mines' Medical Officer in cases where a workman lives within a radius of two miles from the premises of the mine; and in cases where a workman lives beyond a radius of two miles from the premises of the mine, it shall be supported by a certificate from a registered medical practitioner or Mine's Medical Officer.

NOTE 1.—The term 'twelve months' continuous service' shall have the same meaning as that assigned to it in Section 51 of the Mines Act, 1952.

NOTE 2.—Where immediately before the coming into force of these orders, any workman is being paid *sick-khoraki* at a certain rate for more than fourteen days in a year, he shall continue to be paid for the period in excess of fourteen days at the same rate."

16. Exhibit M. is the demand notice dated 23rd January 1962 put forward by the General Secretary of the Colliery Mazdoor Sangh to the Manager, Katras-Choitodm Colliery, listing its demands, one of which was item 2(c), regarding Sick Leave, which was claimed for 21 days.

17. On the above facts and materials will depend the decision on Issue No. 1.

# RES JUDICATA

18. First of all I must clear the way of the question of *Res judicata* raised by Sri Mukherjea for the management. His argument is, as stated earlier, that the present reference on the quantum of sick-leave, in view of the Palit Award, referred to above, is barred by *Res judicata* because it has already been answered by Sri Palit and, therefore, this question can be decided only when there is a reference on industry-wise basis and as the present reference is not industry-wise it is barred by Palit Award.

In support of his contention Sri Mukherjea relied on a decision of the Supreme Court in *Burn & Co. Ltd., Vs. Their employees* 1957 (1) L.L.J. 226, in which His Lordship Venkatarama Iyer, J. Speaking for the Court, at page 230, observed:

"It is on this principle that the rule of *res judicata* enacted in S. 11 of the Civil Procedure Code is based. That section is, no doubt, in terms inapplicable to the present matter, but the principle underlying it, expressed in the maxim *interest rei publicae ut sit finis litium* is founded on sound public policy and is of universal application."

19. On the above decision, there is no doubt, and it has not been disputed either on behalf of the workmen concerned, that the principle underlying *res judicata* applies to industrial tribunals also. But, on the question, whether, on the facts of the present case, the award of Sri Palit, referred to before, operates as *res judicata* on the question of quantum of sick-leave and the conditions governing the grant of sick-leave, referred to for adjudication to this Tribunal under Issue No. 1, I have no hesitation in answering this question in the negative. I will give below my reasons for coming to this conclusion.

20. In Reference No. 59 of 1959, the main item of dispute, which was referred for adjudication to Sri Palit, was, as set out earlier, whether the management of the Collieries, which were concerned in this reference before Sri Palit, were "justified in withdrawing the old privilege of sick-leave with pay for unlimited period enjoyed by their monthly-paid staff upto December 1956". Sri Palit answered this question in the negative by holding that the management was not justified in interfering with the existing privilege of sick-leave as in vogue prior to the changed conditions sought to be introduced by the two letters dated 3rd January 1957 and 12th December 1957 of the Manager of the Sijua Colliery, and, therefore, it directed the *status quo ante* immediately preceding the said letters in the matter of sick-leave with pay in the case of monthly-paid staff and further directed that this will continue till such time as this matter is decided by an industry-wise reference governing the matter, which is really the sheet-anchor of the argument of Sri Mukherjea for basing his claim of *res judicata*. But, in the course of his award, in para 7, Sri Palit said that:

"I could have decided what should be the amount of sick-leave in the present case. But that I refrain from doing, firstly because the issue does not warrant me to make any decision, and, secondly, it is an industry-wise matter to be decided in one way or the other. To decide it in one single or several concerns would give rise to or foment industrial unrest on a large scale. It will never conduce to or promote industrial peace."

21. It is, therefore, clear from the award of Sri Palit that the amount of sick-leave was not decided by him and that it was left open. His subsequent observation that as this question of quantum of sick-leave is an industry-wise matter, it cannot be decided one way or the other in one single or several concerns, in my opinion, is an *obiter dictum*, and cannot, therefore, be taken to be a decision on the reference itself before him, particularly when he himself observes that it was not within the ambit of the reference of the issue before him.

22. In the above connection, I would refer to another decision of the Supreme Court in *Rai Bahadur Diwan Badri Das Vs. Industrial Tribunal, Punjab*, 1962 (II) L.L.J.366, in which His Lordship Gajendragadkar, J., Speaking for the Court, at page 371, observed:

"The best course to adopt in dealing with industrial disputes is to consider the facts of the case, the nature of the demand made by the employees, the nature of the defence raised by the employer and decide the dispute without unduly enlarging the scope of the enquiry..... In these matters there are no absolutes and no formula can be evolved which would invariably give an answer to different problems which may be posed in different cases on different facts."

In the above connection, I may also refer to the decision of the Supreme Court in *Mysore State Electricity Board v. Bangalore Woollen Cotton and Silk Mills Ltd.*, decided on 15th December 1962 (now reported in A.I.R. 1963 S.C. 1128), in which it was held that it is well settled that in order to decide whether a decision in an earlier litigation operates as *res judicata* the court must look at the nature of the litigation, what were the issues raised therein and what was actually decided in it. What becomes *res judicata* is the 'matter which is actually decided and not the reason which leads the court to decide the 'matter'.

23. In view of the above principles, there can be no doubt that the observations, referred to above, of Sri Palit were *obiter* and could not be considered to be his decision as the question of quantum of sick-leave and its condition was beyond the ambit of his reference, as observed by him, and therefore, beyond the scope of enquiry before him.

24. The further observation of Sri Palit that the question of amount of sick-leave and conditions governing the sick-leave could not be decided unless there is a reference on industry-wise basis, because this question will govern all similar industries, in my opinion, is also *obiter*.

He was also concerned in the reference before him with the same six Collieries with which I am concerned in the present reference, and, therefore, I have to decide the amount of sick-leave and the conditions for granting such sick leave, which should be granted to the workmen of only these six Collieries. I am not here concerned with any other Colliery at all, and, therefore, in my opinion, this question can be answered even when the reference is not an industry-wise basis.

25. For these reasons, the plea of *res judicata* must be rejected, and, accordingly, hold that the present reference is not barred by the principle of *res judicata* in view of *Palit Award* on the two questions referred under Issue No. 1 for adjudication to this Tribunal.

26. The argument of Sri Mukherjea, on the basis of the decision of the Supreme Court in *Birla Cotton Spinning and Weaving Mills Ltd and Its workmen*, 1962—I.L.L.J. 642, that the direction in the award of Sri Palit that unless an industry-wise reference is made the quantum of sick-leave cannot be fixed and should not be fixed, means that if the Tribunal is to fix the quantum of sick-leave and the conditions governing the grant of such sick leave, it would be acting on the basic principle of standardisation, in my opinion, has no merit. I cannot understand how the award of Sri Palit lays down a standardisation scheme for sick-leave. Sri Palit only answered the reference before him and he held that as the question of quantum of sick-leave was beyond the scope of the enquiry before him, he was unable to decide it. For these reasons, in my opinion, the present reference was quite competent and it was rightly referred for adjudication when it was still open.

*Model Standing Orders Exhibit M1 and M2.*

27. Next submission of Sri Mukherjea was that industry-wise decision was taken by framing Model Standing Orders for Coal Mining Industry, Exhibit M.2, and, therefore, Para 10(c), Exhibit M.1 which has been quoted before, and, which deals with sick-leave should be followed and applied in the instant case also to the workmen concerned. He further relied on Section 3(2) of The Industrial Employment (Standing Orders) Act, 1946 (XX of 46), and, submitted that if Certified Standing Orders are silent on certain questions then the Model Standing Orders should prevail. Admittedly here, in the instant case, each of the concerned six collieries has its own certified standing orders, but, they have not been filed. But it was conceded by Sri Mukherjea that these certified standing orders are silent and do not deal with the question of amount of sick-leave or the conditions for granting such sick-leave. For this reason, he argued, that, in such a situation, the Model Standing Orders, Exhibit M.2, should prevail, and, accordingly, Para 10(c), Exhibit M.1, of the Model Standing Orders Exhibit M.2, should be followed in the present case. In my opinion, Model Standing Orders for the Mining Industry, Exhibit M.2, cannot be taken into consideration here and it cannot amount to an industry-wise decision on the question of amount of sick-leave and conditions governing such sick-leave. These Standing Orders for Coal Mining Industry have been framed as a model and it is open to any Colliery to adopt them with such modifications as they like in the said Model Standing Orders, and, it is for this reason that The Industrial Employment (Standing Orders) Act, 1946, has been enacted, the object of which is to require employers in industrial establishment to define with sufficient precision the conditions of employment under them and to make the said conditions known to workmen employed by them. By Section 3(1) the Act provides that the employer of an industrial establishment shall within six months from the date on which this Act becomes applicable to such an industrial establishment, shall submit to the Certifying Officer the draft standing orders proposed by the employer for adoption in his

industrial establishment. By sub-section (2) of Section 3 the Act provides that the said draft standing orders shall make provision for every matter set out in the schedule which may be applicable to the industrial establishment concerned, and where model standing orders have been prescribed such provisions, as far as practicable, shall be in conformity with such model. In my opinion, therefore, it will depend on the facts of a particular case and on the conditions and circumstances prevailing in any particular industry concerned as to whether, in the absence of any provision on any matter applicable to the industrial establishment, the model standing orders M.1 and M.2 will apply. It may no doubt be a reasonable guide but it cannot be considered that it must govern the conditions of service of these workmen concerned. The two questions referred for adjudication under Issue No. 1 to this Tribunal, must, therefore, be decided on the facts and circumstances and on the materials in the present case, and, not on the sole basis of the Model Standing Orders Exhibit M.1 and M.2 only. As such, I am unable to accept the contention of Sri Mukherjee that the Model Standing Orders, Exhibit M.2, must be taken an industry-wise decision which should govern all the Collieries.

#### *Quantum of Sick-leave.*

28. The crucial question is, what then should be the quantum of sick-leave and what should be the conditions governing the grant of such sick-leave to the concerned workmen, in the present case, after taking into account Sri Palit's Award in Reference No. 59 of 1959.

On behalf of the workmen, as stated earlier, their demand is that the privilege as enjoyed before 1957 of granting sick-leave for an unlimited period with full wages till the whole period of illness, till recovery or death should be allowed to be continued from and after 1957 also.

On behalf of the management, however, it was contended in view of Palit's Award of 1959 and Model Standing Orders Exhibit M. 1, that the workmen in the present case should be granted 14 days' sick leave with half wages for 14 days and beyond 14 days at the rate of -/10/- per day which was a consolidated lump sum known as *Sick-Khoraki*.

29. The question of amount of sick-leave and conditions governing the grant of such sick-leave came up for consideration before the Supreme Court in the cases, hereinafter mentioned, in which on the facts and circumstances of each case, these questions were answered.

#### *(a) Hindusthan Times Limited and Their Workmen, 1963, 1. L.L.J. 108.*

In the aforesaid case, in the industrial establishment, a large number of its workmen were governed by the provisions as regards leave under the Delhi Shops and Establishment Act, 1954. Section 22 of that Act fixed the maximum for sickness or casual leave with wages to a period of 12 days and further provided that such leave shall not be accumulative. The Tribunal as regards these workmen to whom the Act applied fixed the period of sick-leave at 15 days and permitted accumulation. The Supreme Court set aside the said directions in the award as illegal and directed that 12 days in a year with full pay and allowances should be fixed for sickness or casual leave, and there should be no accumulation of such leave.

#### *(b) Indian Oxygen Limited and its Workmen, 1963, 1. L.L.J.*

In the above case, the Tribunal directed that a workman should get 15 days' leave on full pay or 30 days half pay as medical leave during the year and accumulation should be allowed to the extent of 45 days with full pay or 90 days with half pay. In that case a Chart B was filed, which was a comparative statement of leave available to employees in the different establishments in the region. That Chart B showed that sick leave for 30 days on half pay and 15 days on full pay was allowed in the Indian Tube, Indian Steel and Wire Products, Indian Cable Company and Tinplate Company, and that accumulation for a period of 45 days on full pay and 90 days on half pay was also allowed in these companies. In view of this, the Supreme Court did not interfere with the award of the Tribunal on the question of medical leave.

30. In *Rai Bahadur Diwan Badri Das*, 1962 II L.L.J. 366 referred to before, in which, of course, there was no particular question of sick-leave, but the question was whether all the workmen in the press section without any classification based on the date of their joining the service should be given the quantum of leave, that is, 30 days' leave with wages, irrespective of the fact that they came into employment after 1st July 1956. The question raised before the Supreme Court was that the employer had entered into contract, and, therefore, he was entitled to fix the

terms of employment on which he would be willing to employ workmen and it is open to the workmen either to accept these terms or not, and, accordingly, industrial tribunal should not interfere in such a matter. On this ground, therefore, it was urged before the Supreme Court by the management that the award of the Industrial Tribunal in respect of leave facility was invalid because in granting the demand the Industrial Tribunal illegitimately and unjustifiably trespassed on the employers' freedom of contract. This contention was negatived by the Supreme Court. His Lordship, Gopendragadkar, J. speaking for the majority of the Court, at page 370, observed:

"The employers' freedom of contract has been frequently raised in industrial adjudication, and it has been consistent held that the said right is now subject to certain principle which have been evolved by industrial adjudication in advancing the cause of social justice..... The doctrine of the absolute freedom of contract has thus to yield, therefore to the higher claims for social justice."

His Lordship, at the same page, observed further that:

"Under the impact of the demand of social justice the doctrine of absolute freedom of contract has to be regulated."

In view of this, the contention put forward on behalf of the management that it has the absolute freedom of fixing the quantum of sick-leave and the conditions governing the grant of such sick-leave must be negatived, as the employers right, in such a case, has to be controlled by social justice.

31. In the instant case, all the workmen of these six Collieries, with which the Tribunal is concerned, are governed by the same conditions of service and even in respect of sick-leave admittedly till December 1956, they were enjoying the same privilege of getting sick-leave for an unlimited period till the date of their recovery or death which ever event may happen earlier. The question, therefore, is what should be the amount of sick-leave to be allowed to the workmen concerned here. The materials on the record have already been referred to but they may usefully be analysed here.

32. *Exhibit M* is the demand notice by the Union giving the list of demands by workmen to the Manager of the Katras-Choitodih Colliery in which in the list of demands the employees claimed that they should be granted sick-leave for 21 days in a year. This demand was made on 23rd January 1962.

*Exhibit M. 1*, which reproduces Para 10(c) from the Model Standing Orders for the Coal Mining Industry (*Exhibit M.2*), says that, subject to certification, as hereinafter provided in the model standing orders, any workman who has completed a period of 12 months' continuous service shall be entitled to sick leave at half the wages (basic and dearness allowance) for a period of fourteen days in a year. It also lays down the conditions governing the grant of such sick-leave, which will be dealt with later under the appropriate heading. *Exhibit M.1* further provides in Note II, that where immediately before coming into force of these standing orders any workman is being paid sick-khoraki at a certain rate for more than 14 days in a year, he shall continue to be paid for the period in excess of fourteen days at the same rate.

*Das Gupta Award*, as mentioned earlier, allowed 14 days' sick leave with half wages for 14 days and at -/10/- per day beyond 14 days.

The decision of the Labour Appellate Tribunal says nothing on this question as this question was not before it nor before the Majumdar Tribunal at all. The Labour Appellate Tribunal, however, says in para 351 of its decision that all the existing privileges and amenities including amongst other things, sick allowance, etc. should continue as heretofore.

33. On the above materials then the question is, what should be the quantum of sick-leave and whether it should be with full wages or half wages?

34. The demand of the workmen concerned that they should get sick-leave for unlimited period with full wages till the whole period of their sickness, that is, till recovery or death, as they used to get before 1957, cannot be allowed. It may be mentioned that the workmen themselves made a demand in *Exhibit M* for sick-leave for 21 days only. No doubt Sri Palit in his award, in Reference No. 59 of 1959, said, in answering Issue No. (a) under reference before him, that the management was not justified in interfering with the existing privilege on sick-leave as in vogue prior to the changed condition sought to be introduced by the aforesaid two letters of 3rd January, 1957 and 12th December, 1957 and restored the *status quo ante* immediately preceding the two letters mentioned

before, was in the matter of sick-leave in the case of monthly-paid staff, but that does not amount to be his decision on the question that even after, from and after 1957, they should enjoy the existing privilege of sick-leave which was in vogue prior to 1957, because if that was so, he would not have said earlier in his award that he was not to decide the amount of sick-leave in the reference because the issue did not warrant it.

As observed by His Lordship, Das Gupta, J. Speaking for the Court, in *Indian Oxygen Ltd. (Supra)* 1963(1) L.L.J. 264, at page 266:

"It is hardly necessary to say that, especially at the present time, emphasis in the country should be more on increased production, and absence from work should not be unduly encouraged.

On a consideration of all the circumstances, we are of opinion that no case has been made out for increasing the annual leave and that the award of the Tribunal in so far as it increased the annual leave to 30 days cannot be sustained.

We accordingly direct that the annual leave for office staff and monthly-rated factory staff should continue to be 21 days in a year."

In view of these considerations, in my opinion, the demand of the workmen to be granted sick-leave for an unlimited period must be rejected.

35. I may here, in the above connection, mention the argument of Sri Narsingh that as the privilege of being granted sick-leave for unlimited period on full wages till the period of sickness, enjoyed by the workmen before 1957 had ripened into a condition of service of these workmen by virtue of long practice, there can be no change in it without a notice provided for by Section 9A of the Act. In my opinion, as rightly contended by Sri Mukherjea on behalf of the management, Section 9A does not apply to the present case. The question whether the management of these Collieries was justified in withdrawing the old privilege of granting sick-leave for unlimited period enjoyed by their monthly-paid staff upto December 1956 was before Shri Palit, but in his award he has not held that that was a condition of service of these workmen concerned, and, therefore, the said change was hit by Section 9A(a) of the Act. It is true that the provisions contained in Section 9A is a salutary provision to prevent the employer from introducing any change in the conditions of service in respect of any matters specified in the Fourth Schedule to the Act without giving 21 days notice to the workmen likely to be affected by such change, but such notice is not necessary if the change is in pursuance of an award of a Tribunal or by a decision of the Labour Appellate Tribunal and also in respect of persons who can be compendiously called Government Services. Therefore if the management contravenes the law, it cannot obtain the support of the Tribunal to uphold it in its contravention, however, indirectly or obliquely such support may be sought. But here, I am unable to uphold the contention of Sri Narsingh that Section 9A(a) applies.

36. Likewise, in my opinion, the defence, on behalf of the employers, that the workmen concerned should be granted 14 days sick leave with half wages for 14 days and at -/10/- beyond 10 days as *Khoraki*, as mentioned in the Das Gupta Award and in the Model Standing Orders Exhibit M.1 and Exhibit M.2, seems to be unreasonable and it cannot be accepted on the facts of the present case. When admittedly these workmen have been enjoying sick-leave for unlimited period prior to 1957 with full wages whenever they fell ill and when they themselves reduced their demand to sick leave for 21 days only, there seems to be no justification for reducing their demand by one week more. For these considerations, the claim of the management must also be rejected.

On a consideration of all the circumstances, I am of opinion, that the workmen concerned of these six Collieries, with which we are concerned, should be granted sick-leave for 15 days with full wages.

As the reference is only to decide what should be the quantum of sick-leave with full wages due to the workmen, I do not think it is at all necessary to express any opinion as to how medical leave they should get or after 15 days, if the workmen continue to be ill, what they should get, as that would be going beyond the scope of the terms of the reference. If, however, I would have been required to answer these two questions also, I would have answered them by saying that these workmen are entitled to medical leave for 30 days on half pay during the year.

I, therefore, answer the first part of Issue No. 1 of the reference by saying that taking into account Sri Palit's award, dated 29th February, 1960 in Reference No. 59 of 1959 the quantum of sick-leave with full wages to be allowed to the concerned workmen should be 15 days only.

37. In the above connection, Sri Narsingh referred to a passage, at page 430 of V.G. Row's Law Relating to Industrial Disputes, Second Edition, in order to support his contention that even assuming Para 10(c) of Exhibit M.1 of the Model Standing Orders for Coal Mining Industry Exhibit M.2 should apply to the workmen here, when admittedly the certified standing orders of these collieries are silent, the period of 14 days mentioned therein does not mean the maximum period to the extent of which sick-leave with full wages should be granted. The passage relied upon by Sri Narsingh is a quotation from the decision of the Supreme Court in *Alembic Chemical Works Co. Ltd. Vs. Its Workmen* 1961(1) L.L.J. 328 = A.I.R. 1962 S. 647. Their Lordships there were considering Section 79 of the Factories Act and in that connection they said:

"It may be conceded that the provisions made by Section 79 are elaborate, and in that sense may be treated as self-contained and exhaustive. It is also clear that Section 79(1) does not use the expression "not more than or not less than" as it might have done if the intention of the Legislature was to make its provisions correspond either to the minimum or the maximum leave claimable by the employees; but even so, when Section 79(1) provides that every worker shall be allowed leave as therein prescribed, the provision *prima facie* sounds like a provision for the minimum rather than for the maximum leave which may be awarded to the worker. If the intention of the Legislature was to make the leave permissible under Section 79(1) the maximum to which a workman would be entitled, it would have used definite and appropriate language in that behalf. We are, therefore, inclined to think that even on a plain construction of Section 79(1) it would be difficult to accede to the argument that it prescribes standardised leave which inevitably would mean the maximum permissible until Section 79(1) itself is changed."

Sri Narsingh contended that when Para 10(c) Exhibit M.1 of Exhibit M.2 does not mention whether the said period of 14 days was the minimum or the maximum leave claimable by the employees, the said provision in para 10(c) should be considered to be the minimum rather than the maximum sick leave which may be granted to a workman. I think this contention is correct. If the intention was to make the leave permissible under Para 10(c) Exhibit M.1 of the Standing Orders of the Coal Mining Industry Exhibit M.2, the maximum to which a workman would be entitled, it would have certainly used definite and appropriate language in that behalf. On a plain construction of Para 10(c) Exhibit M.1, just mentioned, it would be difficult to accept the argument of Sri Mukherjea that it prescribes standardised leave which if available to a workman would mean the maximum permissible. It may be mentioned that the quantum of sick-leave is not based on any fixed principle but it depends upon various factors, like the financial burden on the industry, the size of the industry and also the prevailing leave facilities in the same or similar industries in the region, and, therefore, the same quantum of sick leave is not allowed everywhere. For instance, the Madras Shops and Establishment Act provides for 12 days' sick leave which is non-accumulative; the Delhi Shops and Establishment Act, 1954, referred to before, provides for 20 days' sick and casual leave each without any right to accumulation. Para 10(c) does not use the expression "not more than or not less than" as it might have done if the intention was to make these provisions correspond either to the minimum or the maximum leave claimable by the employees. For these reasons, in my opinion, the Tribunal has got the power to fix the quantum of sick-leave, even if it is in excess of the period mentioned in Das Gupta Award or in the Model Standing Orders for the Coal Mining Industry when admittedly the Certified Standing Orders of these Collieries, which have not been filed, are silent on this question.

#### *Conditions of Granting Sick-leave:*

38. As regards the second part of Issue No. 1 of the reference dealing with conditions governing the grant of sick-leave, the conditions governing the grant of such sick leave mentioned in para 10(c) of the Model Standing Orders for Coal Mining Industry (Exhibit M.1) and Exhibit M.2, seem to be reasonable and should be accepted and made applicable to these workmen concerned also. The conditions governing the grant of Sick leave, therefore, would be as below:

A workman who has completed a period of twelve months' continuous service shall be entitled to sick-leave for 15 days with full wages (basic and dearness



allowance). Application for sick-leave for 3(three) days or more shall be supported by a certificate of the Mines' Medical Officer in cases where a workman lives within a radius of two miles from the premises of the mine and in cases where a workman lives beyond a radius of two miles from the premises of the mine, it shall be supported by a certificate from a Registered Medical Practitioner or Mines' Medical Officer. The privilege of sick-leave with full wages for 15 days shall be available to all the workmen concerned in these Collieries whether they are monthly-rated or daily-rated workmen, but this privilege of sick-leave shall be available only to permanent workmen with continued service for a period of one year after he has put in 240 days' attendance in a continuous period of 12 months and it will be available to a workman if he resides within the Colliery premises during the period and he is certified to be sick by the Colliery Doctor.

I, therefore, answer the second part of Issue No. 1 of the reference regarding the conditions governing the grant of sick-leave by saying that the conditions which should govern the grant of sick-leave should be as indicated above.

Issue No. (ii) :

39. The next question is whether the aforesaid directions on Issue No. 1 should take effect from the date of enforcement of this award and if not from which date. In this connection, I would accept the reasons given by Sri Palit for directing his award to be prospective. Here also needless complications would arise if I direct this award also to take effect with retrospective effect. I, therefore, direct that the directions given by me on Issue No. 1 will take effect from the date of the enforcement of the award prospectively and not with retrospective effect.

40. The reference is answered accordingly as indicated above and this is my award which I make and submit to the Government of India, under Section 15 of the Act

DHANBAD,

The 14th May, 1963.

(Sd.) RAJ KISHORE PRASAD,

Presiding Officer,

Central Government Industrial Tribunal, Dhanbad.

[No. 3/36/60-LR. II.]

**S.O. 2710.**—In pursuance of section 17 of the Industrial Disputes Act, 1947, (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Bombay, in the industrial dispute between the employers in relation to the West Chirimiri Colliery of Messrs. Indra Singh and Sons (Private) Limited, Chirimiri, and their workmen, which was received by the Central Government on the 4th September, 1963.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, BOMBAY

REFERENCE No. CGIT-36, of 1962

Employers in relation to the West Chirimiri Colliery of M/s. Indra Singh and Sons (Private) Ltd., Chirimiri.

AND

Their Workmen.

PRESENT:

Shri Salim M. Merchant,—*Presiding Officer.*

APPEARANCES:

*For the employers.*—Shri B. L. Saraf in his capacity as officer of the Central India Coal Fields Mining Association being its Law Secretary and member of its Executive Committee instructed by Shri Gurmukh Singh, Manager, West Chirimiri Colliery.

*For the workmen.*—Shri Gulab Gupta, General Secretary with Shri R. M. Sen, Deputy General Secretary, Madhya Pradesh Colliery Workers' Federation, P.O. Chirimiri, Madhya Pradesh.

INDUSTRY: Coal Mining.

STATE: Madhya Pradesh.

Camp: Chirimiri dated 31st August, 1963

#### AWARD

The Central Government, by the Ministry of Labour and Employment's Order No. 1/15/62-LRII, dated 18th October, 1962, made in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947, (Act XIV of 1947), was pleased to refer the industrial dispute between the parties above-named, in respect of the subject-matters specified in the following schedule to the said Order, to me for adjudication.

#### SCHEDULE

- (1) Whether the management of West Chirimiri Colliery of M/s. Indra Singh and Sons (Private) Ltd., are justified in maintaining the present strength of casual wagon loaders on casual basis. If not, to what relief are the casual wagon loaders entitled?
- (2) Whether the monthly-paid workers of West Chirimiri Colliery under the aforesaid management who are occupying artisan quarters and are in receipt of kerosene oil allowance are entitled to any increase in the said allowance?
- (3) Whether the workmen occupying junior block quarters in the West Chirimiri Colliery of the aforesaid management are entitled to the supply of free electricity at their quarters?

2. After the reference was made, M/s. Indra Singh and Sons (Private) Ltd., (hereinafter referred to as the company), which owns the West Chirimiri Colliery, filed its statement of claim dated 5th November, 1962, and the union filed its written statement on 10th December, 1962, to which the company filed its rejoinder dated 26th December, 1962.

3. Thereafter, on the application of the union, the dispute was fixed for hearing at Chirimiri and I heard the submissions of the parties on 28th August, 1963.

*Demand No. 1.*

4. The parties have reached a settlement on this demand as recorded in the agreements dated 19th January, 1963, and 2nd June, 1963, reached by them before the Regional Labour Commissioner and the Conciliation Officer (Central), Jabalpur respectively, copies of which are annexed hereto and marked Annexures A & B respectively. The parties have also filed a joint application dated 28th August, 1963, (Annexure "C") and have prayed that Demand No. 1 in this reference be disposed of in terms of the settlement reached between the parties as embodied in the agreements dated 19th January, 1963, and 2nd June, 1963 (Annexures A and B hereto). As it appears to me that the settlement is fair and reasonable and in the interest of industrial peace, I accept the same and make an award in terms thereof.

*Demand No. 2.*

5. The issue on this demand is whether the monthly paid workers of this colliery who are occupying artisan quarters and are in receipt of kerosene oil allowance are entitled to any increase in the said allowance. The union in para 11 of its written statement has stated that the workers occupying artisan quarters do not get the benefit of free electricity and it was admitted at the hearing that the artisan quarters are not electrified. The union has, therefore, stated that these workmen use kerosene for lighting purposes and are entitled to be compensated for this loss; that the management had promised free electricity to these workmen but the promise was not kept and the union raised a dispute on their behalf. The union has alleged in its written statement, but failed to prove at the hearing, that the manager had granted monetary compensation in lieu of electricity to those workers occupying these quarters who are not members of the Federation. In para 13, the union has stated that all the monthly paid workers of the colliery were also given kerosene oil allowance. It is admitted that kerosene oil allowance is not paid at a fixed rate; to some monthly rated workers it is granted at the rate of Rs. 5 and to some at Rs. 3 per month and the management stated that to some workmen kerosene allowance was being granted at even a lower rate. The union has, however, stated that these rates were originally fixed in 1956, at the prices then prevailing for kerosene oil and as since then there had been an increase in the price of kerosene, these workmen were entitled to a 25 per cent increase in the kerosene oil allowance granted to them.

6. Shri Gulab Gupta at the hearing argued that the claim for the monthly paid occupants of the artisan quarters was not only for an increase by 25 per cent in the quantum of the kerosene oil allowance at present paid to them, but that he was also claiming compensation at the rate of Rs. 5 per month for the failure of the company to give electric connection and supply free electricity to the occupants of these artisan quarters and he wanted permission to amend his statement of claim accordingly. Shri B. L. Saraf and the manager of the colliery have opposed permission being granted to the union to amend its written statement or for any enhancement of the claim on this demand, beyond what was contained in the statement of claim of the union. In my opinion, it would not be proper to allow the union to enhance its claim at so late a stage in the proceedings of this dispute. At two places in its written statement, the union had claimed an increase in the quantum of the kerosene oil allowance at 25 per cent. and nowhere in its written statement had it stated what compensation it claimed for non-supply of electricity to the monthly paid occupants of the artisan quarters though no doubt it had in the conciliation proceedings claimed Rs. 5 per month on that score. There is, however, no reference to any such claim in the order of reference nor had the union claimed Rs. 5 per month on that score. In the concluding prayer paragraph of its written statement the union had on demand No. 2 under reference, only claimed that it should be awarded a 25 per cent. increase in the existing rate of kerosene oil allowance and I think it would not be fair to the employers to allow the union at this late stage to enhance the claim on this demand. I, therefore, disallow the amendment sought for by Shri Gulab Gupta.

7. It is not necessary to enter into the controversy which was raised at the hearing of the different rates of kerosene oil allowance at present prevailing in the colliery. No doubt, discriminations of this kind in the rates of allowances paid to the same category of workers is not desirable. This type of discrimination has been condemned by the Hon'ble Supreme Court in its decision reported in 1962, ILLJ. p. 362 at p. 372. I am, however, not called upon to go into this issue whether the difference in the prevailing rates of kerosene oil allowance is justified or not, because, under the terms of the reference on this demand, the only thing I have to consider is whether the demand for increase in the kerosene oil allowance is justified or not, and under the terms of the reference I have to decide this question only for the monthly paid workers who occupy the artisan quarters. The union has at the hearing further limited to the claim to the 10 workmen occupying the artisan quarters who are its members and whom it named at the hearing. There is no doubt that the quantum of kerosene oil allowance was fixed many years ago (round about 1956) as stated in the company's statement and there is no doubt that there has been an increase in the price of the kerosene oil since then. The increase can well be placed in the order of 25 per cent. of the price of kerosene oil prevailing at the time this allowance was started to be given. I was told at the hearing that the monthly paid workers occupying the artisan quarters are getting kerosene oil allowance of Rs. 3 per month. Therefore, on the basis of 25 per cent. increase the workers would be entitled to an increase of 75 p.p. per month in the kerosene oil allowance granted to them and I award this increase to them from 1st November, 1962, considering that this reference was made by Government's Order dated 18th October, 1962. I am not impressed by the union's claim that the increase should be granted from the date this dispute was raised in March, 1962.

#### *Demand No. 3.*

8. Under this demand the union claims that the workmen occupying junior block quarters in the West Chirimiri Colliery (hereinafter referred to as the colliery), are entitled to the supply of free electricity at their quarters. In support, the union had urged that the workmen occupying junior block quarters were given free electricity till June, 1961, when the supply was stopped, for the reason, according to the union, that the workers occupying these quarters had joined the branch of its Federation. The union has urged that under the terms of the Award of the All-India Industrial Tribunal (Colliery Disputes), as amended by the decision of the Labour Appellate Tribunal this condition of their service of being provided with free electricity was protected and the management had acted illegally in stopping this free supply of electricity in June, 1961. In the prayer clause of its written statement the union has on this demand claimed that the Tribunal should direct that the company should give free supply of electricity to the workmen occupying the junior block quarters, and compensate them for the days the electricity was stopped by the company.

The company in its written statement dated 5th November, 1962, has stated on this demand that when granting kerosene oil allowance from 26th May, 1956 (the

date on which the Muzumdar Award came into force), it was made clear by the management to the workmen individually that the electricity supplied to them would be charged and as such the management was perfectly justified in charging for the electricity supply to the quarters whether of junior block or any other. The management in paragraph 11 of its written statement has stated that the colliery had very limited supply of electricity and if electricity to the quarters was made free, the consumption would increase exorbitantly and very little power would be left to it to work the mine; that the management is carrying on its work with diesel generating sets, which are delicate and unreliable and even slight overloading would ruin the engine, and in these days of difficult foreign exchange if the engines get out of commission, the work of the whole mine would be disrupted and therefore all precautions have to be taken to avoid overloading of the engines. The management has stated that no workmen of the junior block quarters had demanded free electricity in their quarters and that the union was not justified in its demand. In its rejoinder dated 26th December, 1962, the management has stated that it was not true that the workmen occupying the junior block quarters were given free electricity; that till 1954, the management did not even have sufficient power for running the mine and for that reason had to employ animal haulage underground and to run the workshop with diesel engines; that from the very beginning it was the intention of the management to supply electricity (available on payment) to the staff quarters and that at the time the Muzumdar Award came into force i.e., 26th May, 1956, it was made clear to the staff that electricity when supplied to the quarters would be charged for and that no objection was raised at that time either by the union or by the individual members of the staff; that no electricity supply was made to the staff quarters before coming into force of the Coal Award and as such there is no question of any protection being granted by the Award as alleged by the union; that the active members of the union occupying the junior block quarters had given in writing to the manager that they have no dispute about the supply of electricity to the quarters.

10. The facts with regard to the supply of electricity to the junior block quarters as ascertained at the hearing was that even before the Muzumdar Award, electricity was being supplied free to these quarters. For instance, at the hearing it was not denied that there was electric connection and supply of electricity since 1954, in the quarters of Shri Makhan Singh, the President of the branch union who lives in the junior block quarters and that there was electric wiring and supply of electricity since 1953 in the quarter of Shri Mit Singh, another union leader who also lives in the junior block quarters. From the statements and admissions made at the hearing, I am more than satisfied that long prior to the Muzumdar Award, the company was supplying electric energy free to the workers occupying the junior block quarters. The statements made by the company in its written statement that when the Muzumdar Award came into force on 26th May, 1956, it had made it clear to the workmen, that they would have to pay for the electric energy when supplied, is contradicted not only by the admissions by the management at the hearing but also in the admitted fact that no electricity charge was ever made for electric energy supplied to these quarters till 1961. I am not prepared to accept the story of the management that till the date of the Muzumdar Award i.e., 26th May, 1956, no electricity was ever supplied, though it was intended to be given. Now, it is an admitted position that in about June, 1961, electricity was stopped because the company installed meters and wanted to charge the workmen for the electric energy consumed by them and it appears that the company restored the electric supply only after it had obtained an application from the workers concerned dated 14th August, 1961, in which they agreed to pay electricity charges for the electric energy consumed by them and the company has admittedly been recovering electricity charges from them since then.

11. From the submissions made at the hearing and the admissions made by the management, I am more than satisfied that long before the Muzumdar Award came into force, the management was supplying electric energy free to the occupants of the junior block quarters and that this benefit to the workmen was protected by the directions contained in the Muzumdar Award. I find it difficult to accept the managements contention at the hearing that electric energy was supplied only when the load on the generator was small and the lights were switched off when the load was high. No such story has been made at any earlier stage nor was it stated in the conciliation proceedings. I am of the opinion that the company having allowed the benefit of free supply of electricity to the workmen long prior to the Muzumdar Award, it had become a term and condition of the service which was protected by the directions of the Muzumdar Award and no change could be made in that term and condition of service of the workmen without a notice under section 9(A) of the Industrial Disputes Act. It is admitted that no such notice

was given in June, 1961, before the electricity was stopped. The supply was restored only when the workmen were made to pass a writing dated 14th August, 1961, agreeing to pay for the electricity charges according to the meter reading which incidentally has not been exhibited in these proceedings. I am, therefore, of the opinion that the management had acted illegally and wrongly in discontinuing the practice of supplying free electric energy to the occupants of the junior block quarters of its colliery.

12. Under the terms of reference of Demand No. 3, I am to decide whether the workmen occupying the junior block quarters in the West Chirimiri Colliery are entitled to free electricity to their quarters and for the reasons stated above, I answer that question in the affirmative. But I would limit the free supply to the extent of 10 units per month and for units consumed beyond that the company will be entitled to charge at the rate of 19 nP. per unit and after the company gets its power supply from the Madhya Pradesh Electricity Board, at the rate per unit at which it would be purchasing electricity from the Board. The result will be that the company will have to refund within one month of the Award becoming enforceable the amounts already collected by it by way of electricity charges upto 10 units per month, and it will continue to supply electricity free to the occupant of each of the junior block quarters upto 10 units per month and beyond 10 units consumed per month the workmen will have to pay at the rates specified above and I direct accordingly.

No. order as to costs.

Sd./- SALIM M. MERCHANT,  
Presiding Officer,  
Central Government Industrial Tribunal,  
Bombay.

ANNEXURE 'A'

Extract from Memorandum of Settlement of 19-1-1963.

MEMORANDUM OF SETTLEMENT

Representing Employers.—Shri Gurmukh Singh, Manager, West Chirimiri Colliery, P.O. Chirimiri.

Representing Workmen.—1. Shri Gulab Gupta, General Secretary, M.P. Colliery Workers Federation.

2. Shri B. D. Kuldeep, Joint Secretary, Madhya Pradesh Colliery Workers Federation,

Demand No. 3:

Agreed that an additional amount of 16 Naye Paise per ton over and above the prescribed rate per ton shall be paid to casual wagon loaders for loading wagon with immediate effect, and this amount of 16 Naye Paise per ton shall be paid to the casual wagon loaders once in a quarter at the time of bonus payment to other workers.

Also agreed that the management shall pay in full and final settlement of Past claims for casual wagon loaders a lump-sum of Rs. 600 (Rupees six hundred only) to them within 7 days of receipt of the list and calculation to be submitted by the union.

Representing Management.  
Sd./ (GURMUKH SINGH).

Representing Workmen.

Sd./-  
1. (GULAB GUPTA).  
Sd./-  
2. (B. D. KULDEEP).

Sd./- 19-1-63.  
(T. B. SANYAL),  
Regional Labour Commissioner (C) Jabalpur.

Witnesses:—  
1. Sd./- Illegible.  
2. Sd./- Illegible.

PLACE:— Jabalpur.  
Date: The 19th January, 1963.

## ANNEXURE 'B'

*Extract from Memorandum of Settlement dated 2nd June, 1963.*

## MEMORANDUM OF SETTLEMENT

Camp Office Chirimiri Dated 2nd June, 1963.

Before Shri T. R. Malhotra, Conciliation Officer (Central) Jabalpur.

*Representing Management.*—Shri Gurmukh Singh Manager, West Chirimiri Colly., of M/s. Indra Singh & Sons (P) Ltd.*Representing the Union M.P. Colliery Worker's Federation.*—Shri R. M. Sen. Dy. General Secretary, M.P. Colliery Workers Federation.

Shri B. D. Kuldeep, Jt. Secy. of the Federation and Secretary of West Chirimiri Branch of the Federation.

*Short History.*

The M.P. Colliery Workers Federation Chirimiri vide its letter 8th May, 1963, requested the C.O.(C), JBP. to take up the 19 disputed issues in respect of West Chirimiri Colliery in conciliation as the same could not be resolved by direct contact with the management. The same were accordingly taken up in conciliation and as a result of joint discussions held on 1st June, 1963, and 2nd June, 1963, the following settlement was brought about.

*Terms of Settlement.**Demand No. 2.**Casual Wagon Loaders:*

Agreed that a list upto 35 casual wagon loaders including the 13 names submitted by the union as per list attached (annexure 1) will be maintained and they will be given first preference in providing work of wagon loading when available. Outsiders if needed will be taken only when this list is exhausted. Work amongst the listed workers will be distributed equitably as far as possible.

Sd./- (GURMUKH SINGH),  
Manager, West Chirimiri Colliery.

Sd./- (R. M. SEN),  
Dy. General Secretary.

Sd./- (T. R. MALHOTRA),  
Conciliation Officer (Central),  
Jabalpur.

Sd./- (B. D. KULDEEP),  
Jt. Secretary.

Sd./- MAKHAN SINGH:  
President, W. Chirimiri Colly.,  
Branch of M.P. C.W. Fdn.

*Witnesses:*

Sd./-

(1) H. P. GUPTA,  
Assistant Manager.

Sd./-

(2) I. G. SONAWANI,  
Time keeper.

## ANNEXURE 'C'

BEFORE THE CENTRAL GOVT. INDUSTRIAL TRIBUNAL, BOMBAY.

IN REF. No. CGIT/36 OF 1962.

Employers in relation to the West Chirimiri Colliery of M/s. Indra Singh &amp; Sons (Pvt.) Ltd.,

AND

Their Workmen.

The Employers, in this reference, beg to submit as follows:—

1. That the parties have entered into agreements dated 19th January, 1963, and 2nd June, 1963, respectively in respect of item No. 1 of this reference.
2. That according to the Agreement dated 19th January, 1963, referred to above, it is agreed that an additional amount of 16 (sixteen) Naye Paise per ton over and above the prescribed rate per ton shall be paid to casual wagon loaders for loading wagons with immediate effect, and this amount of 16 (sixteen) Naye Paise per ton shall be paid to the casual wagon loaders once in a quarter at the time of bonus payment to other workers. Further it is also agreed that the Management shall pay in full and final settlement of past claims of casual wagon loaders a lump sum of Rs. 600 (Rupees six hundred only) to them within seven days of the receipt of the list and calculation to be submitted by the Union.
3. That the amount of Rs. 600 (Rupees Six hundred) as per agreement under reference, has already been paid to the concerned persons.
4. That according to the Agreement dated 2nd June, 1963, referred to above it has been agreed that a list upto 35 casual wagon loaders including the 13 names submitted by the union as per list attached (annexure I) will be maintained and they will be given first preference in providing work of wagon loading when available. Outsiders if needed will be taken only when this list is exhausted. Work among the listed workers will be distributed equitably as far as possible.
5. That this agreement has also been complied.
6. That copies of extracts of Agreements are filed with this application.

It is therefore requested that item No. 1 of this reference be kindly disposed in terms of settlement made by Agreements dated 19th January, 1963, and dated 2nd June, 1963, respectively.

For Indra Singh & Sons Pvt., Ltd.  
West Chirimiri Colliery.  
Manager.

[No. 1/15/62-LR. II.]

New Delhi, the 13th September 1963

**S.O. 2711.**—In pursuance of section 17 of the Industrial Disputes Act, 1947, (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Dhanbad, in the industrial dispute between the employers in relation to the Religara Colliery of the East Religara Coal Company (Private) Limited, Post Office Argada, District Hazaribagh, Bihar and their workmen, which was received by the Central Government on the 9th September, 1963.

**BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, DHANBAD**

In the matter of a Reference under Section 10(1)(d) of Industrial Disputes Act, 1947, (XIV of 47).

REFERENCE No. 51 OF 1962.

**PARTIES:**

Employers in relation to the Religara Colliery of the East Religara Coal Company (Private) Limited, Post Office, Argada, District Hazaribagh, Bihar.

**AND**

Their workmen.

**PRESENT:**

Shri Raj Kishore Prasad, M.A., B.L.—Presiding Officer.

**APPEARANCES:**

For the Employers.—Sri B. P. Debral, Chief Labour Officer with Sri S. D. Panday, Personal Officer.

For the Workmen.—Sri Sankar Bose, Member, Central Executive Colliery Mazdoor Sangh.

STATE: Bihar.

INDUSTRY: Coal.

Dhanbad, dated the 30th May, 1963

### AWARD

Ministry of Labour and Employment, Government of India, by its Order No. 2/113/62-LR. II, dated the 27th November, 1962, referred, under Section 10(1)(d) of the Industrial Disputes Act, 1947, (hereinafter referred to as the Act), the following industrial dispute for adjudication to this Tribunal:

"Whether the retrenchment of Shri Siddique Mia, a Fitter of Religara Colliery, on and from the 1st May, 1962, is justified. If not, to what relief is the workman entitled?"

2. On behalf of the workman concerned his Union, Colliery Mazdoor Sangh, filed a written statement of claim on 12th December, 1962. The employers also filed a rejoinder on 13th December, 1962.

3. The case of the workman is that his retrenchment was *malafide* due to victimisation for his trade union activities that the rule of 'last come first go' has not been followed, in as much as although he was senior to some other workmen of his category they were not retrenched but the workman concerned only was selected to be retrenched and that the retrenchment is illegal also for non-compliance of Section 25F(c) of the Act.

4. The defence of the management is that the workman was the only fitter working in aerial ropeway and as the aerial ropeway was discontinued the workmen became surplus, and, therefore, he was retrenched, in that, he was the junior most in his category by following the rule of 'last come first go', and, further, that the retrenchment was *bonafide* and not by way of victimisation or due to unfair labour practice, and, therefore, the retrenchment was justified and legal.

5. The management was represented by Sri B. P. Debral and examined in support of its case two witnesses, namely, M.W. 1 Shri S. D. Pandey, Personal Officer, and, M.W. 2 Shri H. F. Cooper, Engineer of the Company, and, also filed documents, which, with mutual consent, were marked as Exhibits M. to M. 18.

6. The workman was represented by Sri Sankar Bose, representative of the Colliery Mazdoor Sangh, of which admittedly the workman was a member and which was representing the workman concerned from the very beginning in the present dispute. The workman also examined one witness, W.W. 1, Sri K. C. Upadhyaya, Branch President of the Union and also filed documents, which also, with mutual consent, were marked as Exhibits W. to W. 2.

7. In support of its case that the retrenchment was legal and justified the management relied on two decisions of the Labour Appellate Tribunal, *J. K. Hosiery Kanpur, Vs. Pritam Singh* 1955 (I) L.L.J. 39 and *Kanpur Mechanical and Technical Workers' Union, Kanpur, Vs. Hind Provincial Flying Club Ltd., Kanpur*, 1955 (I) L.L.J. 148. It is not necessary to notice these cases in detail because now the question of retrenchment has been considered by the Supreme Court also in two cases and its different aspects, which have to be borne in mind, and, the principles, which should govern it, have been laid down. These two cases are *Messrs. Swaes-mitran, Madras Vs. Their Workmen*, 1960 (I) F.L.R. 337 and *J. K. Iron and Steel Co. Ltd., Vs. Its Workmen* 1960 (I) F.L.R. 579.

8. The principles, which can be extracted from the above cases are these:

"If a case for retrenchment is made out, no doubt, it would be normal for the employer to decide which of the employees should be retrenched, but there can be no doubt that the ordinary industrial rule of retrenchment is 'last come first go', and where other things are equal this rule has to be followed by the employer. This rule is statutorily recognised by Section 25-G, of the Act. The employer, may depart from the rule for sufficient and valid reasons, taking into account considerations of efficiency and trustworthiness.

The order of retrenchment, therefore, should, of course be left to the management and the decision by the management that some are better qualified cannot be questioned by the Tribunal unless it comes to the conclusion that the preferential treatment was *malafide*. If the preferential treatment given to juniors ignores



the well recognised principle of industrial law that 'last come first go', without any acceptable or sound reasoning a Tribunal will be well justified to hold that the action of the management was not *bonafide*.

But the rule of 'last come first go' could have obviously no application to the case of retrenchment of the only employee in a particular category of workmen because in such a case it is retrenchment of the post itself, and, therefore, if for reasons of economy and any genuine interest of reorganisation, the services of a single employee of a category have to be dispensed with, there is no scope for the application of this principle.

The question of comparative seniority or juniority of a workman for applying the principle of 'last come first go' has to be determined with reference to the workmen working in the same category of employment, and, therefore, for example, in retrenching the employee as Fitter, at the time of retrenchment, seniority is determined on the strength and length of each workman acting in the category of fitters and not on the length and service of the workman in the different capacities of the company.

9. In the light of the aforesaid principles, let us examine the facts of the present case. The admitted facts are these:

In the company an aerial ropeway was working, but it was discontinued in the latter part of 1962, as deposed to by Sri Sukdev Pandey, Personal Officer of the Company, M.W.1. In this aerial ropeway, there was only one fitter and that fitter was the workman concerned, Sri Siddique Mia. In the Company there were four other fitters on different jobs. All these five fitters, although on different jobs, were in the same category in Category VII. On the evidence of the Engineer of the Colliery, Sri H. F. Cooper, M.W. 2, the other fitters, whose names will be found in Exhibit M. 9, particularly Nos. 3 to 7, who were all appointed on the same day, that is, 12th May, 1947, were working on different jobs as given below:

Lahori Ram, No. 3, in Exhibit M. 9, was working as a Mech. Fitter at the Boiler. Mohd. Khan, No. 4, of Exhibit M. 9, was working as Mech. Fitter at the pump; No. 5 of Exhibit M. 9, Mhd. Ali, was working as Mech. Fitter at the Pump and also at pipe fitting; No. 6 of Exhibit M. 9 Harnath, was working as a Fitter in Coal Cutting Machine and haulages and Mohd. Siddique, workman concerned, No. 7 in Exhibit M. 9, was working in aerial ropeway. These facts are admitted and Sri Bose, on behalf of the workman concerned, has not disputed the correctness of these facts.

10. The only dispute between the parties, therefore, is whether Mohd. Siddique was junior-most among these five fitters in his category which was Category VII and whether with the discontinuance of the aerial ropeway he could not be absorbed elsewhere, and, therefore, the management had no choice but to retrench him. On this question, on behalf of the workman, W.W.1, Branch President of the Colliery Mazdoor Sangh, has been examined. He has not stated anything in his evidence which could enlighten us on the question as to whether the workman concerned could be absorbed in any other post and whether he was senior most among the other persons named above. The Engineer of the Colliery, M.W. 2, has given his evidence in a very straightforward manner and I am very much impressed with his evidence and as he is an expert, I find no reason to disbelieve him. The fact that this witness, M.W. 2, has not supported the Personal Officer, M.W. 1, when the latter stated that he issued retrenchment order after consulting the Engineer, clearly goes to show that the Engineer M.W. 2 has not given any evidence in a partisan spirit but in an impartial manner as an expert.

The Engineer M.W. 2 has stated in his examination in chief that:

"I do not remember whether Siddique Mia ever worked at any other place except Aerial Ropeway. Each job performed by the five people is specialised in itself and therefore one fitter cannot replace the other fitter to do the job though all are in Category VII. Before one fitter can be transferred to another job he has to be trained. Each of the five fitters named by me is efficient in his own branch."

As there is nothing to contradict this statement of the Engineer, I would rely and rest my decision on it. On his evidence it is clear that the workman concerned being the only fitter working in aerial ropeway the management was justified, when the aerial ropeway was discontinued, to abolish this post of the fitter and to retrench him because as stated by the Engineer M.W. 2, the company had already sufficient number of fitters and, therefore, the management did not require

any other fitter to be in another job, for which also the workman concerned would have to be trained.

For these reasons, in my opinion, as the workman concerned was the only fitter working in the aerial ropeway his retrenchment became necessary after discontinuance of the aerial ropeway by the company sometime in 1962. The action of the management in retrenching this only fitter working in the aerial ropeway cannot be said to be unjustified at all.

I further hold that as the workman concerned had no experience of the work which the other four fitters were doing and as the management did not require any more fitter to work on any other job, there was no option left to the management but to retrench the workman concerned.

11. On the above finding that the post of fitter in the aerial ropeway was abolished due to the discontinuance of the aerial ropeway and, therefore, the workman concerned was retrenched, as he was the only fitter working at the aerial ropeway, the question of application of the principle of 'last come first go' will not arise, as this principle will not apply here.

12. Let us, however, examine if the contention of the workman that he was senior to the other four persons named above who were all appointed on 12th May, 1947, as mentioned in Exhibit M. 9, is correct. Siddique Mia (7), the workman concerned, was appointed as fitter on 1st April, 1960. Mohd. Khan, (4) Mohd. Ali (5) were placed in Category VII at the basic wage of Rs. 2.71 per day with effect from 1st November, 1961, under an agreement Exhibit M. 10. On the evidence of M. W. 1 Personal Officer, Harinath No. (6) was in Category VII even on 1st January, 1960, but he was promoted as Fitter in Category VII on 3rd September, 1959. On the evidence of the Engineer M.W. 2 each of the above five fitters is efficient in his own branch. There is, therefore, no question of any inefficiency in the present case and it is not even the case of the management that the workman concerned was retrenched due to his inefficiency.

13. From the above facts, it is manifest that Harinath (6) was senior to Siddique Mia (7), the workman concerned. The two workmen—Mohamad Ali (4) and Mohammad Khan (5) on Exhibit M. 10 and also on the evidence of the Personal Officer, M.W. 1, appear to have been placed in Category VII with effect from 1st November, 1961, which would mean that these two persons *prima facie* were junior to Siddique Mia workman concerned. It was, however, argued, on behalf of the management, that the fact that these two workmen by virtue of agreement Exhibit M. 10 were placed in Category VII and given the basic of Rs. 2.71 with effect from 1st November, 1961, clearly go to show that these two workmen were working as Fitter from long before and therefore they were also seniors to the workman concerned. In this connection reliance was placed on Exhibit M. 12 which was a letter sent by W.W. 1 to the Conciliation Officer regarding the fixation of categories in the scale of fitters of the Colliery. In this letter sent on 14th May, 1959, W.W. 1 said that Mohd. Khan (5) and Mohd. Ali (4) had been wrongly categorised, in consequence of which they were getting lower scale of pay than they were entitled to get and, therefore, after stating facts and giving reasons it was stated that the aforesaid two fitters who were performing the duties as per highest grade of fitters should be placed in Category VII and given higher scale of pay. As a result of this, the agreement Exhibit M. 10, which is also signed by W.W. 1, was arrived at. Reading the agreement dated 29th January, 1962, Exhibit M. 10 along with Exhibit M. 12 dated 14th May, 1959, there can be no doubt that this Mohd. Khan (5) and Mohd. Ali (4) were working as fitters from before 14th May, 1959, as mentioned by W.W. 1 in the aforesaid letter. It may be mentioned that on the same dated i.e., 14th May 1959, W.W. 1 sent another letter Exhibit M. 11 to the Conciliation Officer raising the question of fixation of grade and scale of Siddique Mia, workman concerned, Fitter of the Colliery separately.

14. For the reasons given above I hold that Siddique Mia, the workman concerned, was the junior most amongst the five fitters of Class VII in the same category, and, therefore, his retrenchment was justified and normal and *bonafide*.

15. Even assuming that I am wrong on the question of seniority or juniority of Siddique Mia, on the materials before me I am of the view that because Siddique Mia, was admittedly the only fitter working in the aerial ropeway and as he had no experience, on the evidence of M.W. 2, of the work of the other four fitters, who were working on different jobs, each of which was specialised in itself, the retrenchment of the workman concerned was also natural. As the management

did not need any more fitter, therefore, he could not be trained on some other job of fitter for other work of the Colliery.

16. For these reasons, I would hold that the retrenchment of the workman concerned on and from 1st May, 1962, was justified.

17. The next question is whether this retrenchment was *malafide* due to victimisation?

The only ground urged by the workman in support of this case was that this workman was an active member of the Colliery Mazdoor Sangh. In reply to this, it was argued on behalf of the management, that as will appear from Exhibits M to M.2 that the Union took up the dispute of Siddique Mia under Exhibit M.11 and of Mohd. Ali under Exhibit M. 12 separately, and, therefore, if the intention of the management would have been *malafide*, it could have retrenched also Mohd. Ali, and also Mohd. Khan, who also had raised a dispute, because they were all members of this Colliery Mazdoor Sangh. It was, therefore, urged that Exhibits M.11 and M.12 belie the contention of the workman concerned. This Union took up the case of all these three fitters together and, therefore, there was no reason to make discrimination between these three, and, as such, if the management had any bad motive or *malafide* intention harming the workmen because they were members of the Union it could have also retrenched the other two workmen, Mohd. Ali and Mohd. Khan, but that was not done. In my opinion it is impossible to give a finding in favour of the concerned workman that he was victimised because he was an active member of this Union. As the Supreme Court in *Bhatdee Coal Co. Ltd. Vs. Ram Probesh Singh*, 1963 (6) F.L.R. 361 has held, the fact that the relationship between an employer and a Union were not happy and the workmen concerned were office bearers or active workers of the Union would by itself be no evidence to prove victimisation, for if that were so, it would mean that the office-bearers and active workers of a Union, with which the employer is not on good terms, would have a *carte blanche* to commit any misconduct and get away with it on the ground that relations between the employer and the Union were not happy. Such finding must be characterised as one based merely on conjectures and surmises.

For these reasons, in my opinion, on the materials before me, I hold that the workman concerned was not retrenched by way of victimisation or some unfair labour practice.

18. It was also argued on behalf of the management that even the workmen were conscious of the fact that as Siddique Mia alone was working in the aerial ropeway and his post was not inter-changeable in that two separate complaints were made by the Union through W.W. 1 to the Conciliation Officer, as will appear from Exhibits M.11 and M.12. This contention of the management seems to be correct. If the posts held by the five fitters of Category VII, who were working in the Colliery were interchangeable, then it was conceded that the Union would not have singled out Mohd. Ali and Mohd. Khan and put in a complaint on their behalf separately with regard to Siddique Mia as will appear from Exhibit M.11. Exhibits M.11 and M.12, therefore, prove that the Union also was conscious of the fact that the work of Siddique Mia as a Fitter in the aerial ropeway was not interchangeable with the work of the other fitters working on the other specialised jobs.

19. It was also argued, on behalf of the management, that if it was a fact that Siddique Mia was senior to Mohd. Ali and Mohd. Khan, then on 1st April 1960 when Siddique Mia was raised from Category IV to Category VII as Fitter, the Union could have made a complaint that although Mohd. Ali and Mohd. Khan were seniors to Mohd. Siddique they were not raised to Category VII, and, it was urged that this was not done because the Union knew that the posts were not interchangeable.

20. There is also no substance in the contention, as stated in Para 14 of the written statement, that Siddique Mia should have been given the status of 'Sheavesman' and not merely Fitter, because, on the evidence of the Engineer M.W.2, there were five fitters in the Colliery each specialised in his own job and, therefore, one fitter could not replace the other fitter to do his job, though all were in Category VII. Therefore, the fact that the workman concerned was not given the status of 'Sheavesman' is not at all material for deciding whether the retrenchment of the workman was justified.

21. On behalf of the management, it was argued that the present union representing the workmen concerned was not a representative union, but, in my opinion, there is no substance in this contention. It was admitted by M.W.1 Personal Officer, that the Colliery Mazdoor Sangh, which represents the workman concerned, is functioning in the Colliery since 1960. About 50 workers of this Colliery are members of this Sangh, including the workman concerned. M.W.1 further admitted that

this Union, Colliery Mazdoor Sangh, was representing the workman concerned from the very beginning. It has now been set at rest by the decision of the Supreme Court that even a minority union can take up the cause of the workman concerned and represent him. When, therefore, admittedly the present Union, Colliery Mazdoor Sangh, is functioning in the Colliery since 1960 and it has represented the workman concerned from the very beginning, I do not find any substance in the contention of the management that this Union is not a representative union.

22. It was contended, on behalf of the workman, that, as admittedly on the evidence of M.W.1 no notice as required by Section 25F(c) of the Act was given to the Central Government, the retrenchment was illegal, because such a notice has to be given before retrenchment is effected, Section 25F lays down the conditions precedent to retrenchment of workmen. It provides that no workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until the conditions mentioned in clauses (a) and (c) of Section 25F are satisfied. One of such conditions is to be found in clause (c) which says that "notice in the prescribed manner is served on the appropriate Government", which admittedly is the Central Government here. Admittedly, no notice as envisaged by Section 25F (c) was given. The question is, what is the effect of this non-compliance of Section 25F(c) of the Act?

A Division Bench of the Bombay High Court, presided over by Mudhelkar J., Acting Chief Justice and Shah J. held in *Bombay Union of Journalists and others and State of Bombay* and another 1961 (II) L.L.J. 727,

"That the service of a notice upon the Government is not a condition precedent to the making of retrenchment. It is merely a condition and nothing more. Non-compliance with a condition of such kind would, therefore, amount not to illegality but to an irregularity which could be waived."

Rule 76 of the Industrial Disputes (Central), Rules, 1957, lays down the prescribed manner in which the notice under Section 25F(c) has to be given. It appears to me that non-compliance of Section 25F(c), read with Rule 76, is mere irregularity and not an illegality and, therefore, on this ground the retrenchment cannot be held to be without jurisdiction.

23. For the reasons given above, I would, therefore, answer the reference in favour of the management by holding that the retrenchment of Shri Siddique Mia, Fitter of Religara Colliery, on and from 1st May 1962 was justified, and, therefore, he is not entitled to any relief. He, however, would be entitled to the benefits of Section 25F(a) and (b) of the Act. I am informed that the wages contemplated by Section 25F(a) and the compensation contemplated by Section 25F(b) are in deposit with the management in favour of the workman concerned. If so, the workman concerned will be entitled to withdraw them. There will be no order for costs.

24. This is the award which I make and submit to the Central Government under Section 15 of the Act.

*Dhanbad, the 30th May, 1963.*

(Sd.) RAJ KISHORE PRASAD,

Central Government,  
Industrial Tribunal Dhanbad.

[No. 2/113/62-LR. II.]

**S.O. 2712.**—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Dhanbad, in the industrial dispute between the employers in relation to the Bansdeopur Colliery, Post Office Kusunda (Dhanbad) and their workmen, which was received by the Central Government on the 7th September, 1963.

#### BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL, DHANBAD

In the matter of a Reference under Section 10(1) (d) of the Industrial Disputes Act, 1947 (XIV of 1947).

REFERENCE No. 33 of 1962

**PARTIES:**

Employers in relation to the Bansdeopur Colliery, P.O. Kusunda (Dhanbad)

AND

Their workmen.

PRESENT:

Sri Raj Kishore Prasad, M.A., B.L.,  
Presiding Officer.

APPEARANCES:

For the Employers: Sri B. Joshi, Manager, with Sri Turnbull, Assistant Manager.

For the Workmen: Sri Lalit Burman, Bihar Koyla Mazdoor Sabha.

STATE: Bihar.

INDUSTRY: Coal.

Dhanbad, dated the 27th May, 1963

### AWARD

Ministry of Labour & Employment, Government of India, by its Order No. 2/94/62-LRII, dated 28th September 1962, referred under Section 10(i)(d) of Industrial Disputes Act, 1947 (hereinafter referred to as the Act), to this Tribunal for adjudication the following industrial dispute existing between the employers in relation to Bansdeopur Colliery and their workmen:—

1. Whether any notice under Section 9A of the Industrial Disputes Act, 1947, was given by the employer to the workmen named in the Table below?
2. Whether the alternative jobs which were offered respectively to the male and the female workmen were suitable alternative jobs? Whether the workmen concerned were justified in refusing to accept the alternative jobs offered to them?
3. Whether the action of the employer amounted to the retrenchment or lay-off or transfer of the workmen concerned?
4. What amount, if any, are the workmen concerned entitled to get as compensation for the alleged retrenchment or lay-off, as the case may be?
5. What other relief, if any, are the workmen entitled to?

TABLE

Males	Females
1. Hari Nunia.	1. Fuleswari Nuniyain.
2. Somar Nunia.	2. Jethani Bhuini.
3. Jagdish Bhuia.	3. Fulbasia Nhuini.
4. Bonshi Bhuia.	4. Amina Miain.
5. Baldeo Bhuia.	5. Koushalya Bhuini.
6. Ramnandan Nunia.	6. Jitani Bhuini.
7. Ramjit Bhu Bhuian.	7. Parbatia Nuniyain.
8. Jawahir Nunia.	8. Kamadawa Nuniyain.
9. Rupdhari Nunia.	9. Somari Nuniyain.
10. Chander Nunia.	10. Pachia Nuniyain.
11. Karamdeo Nunia.	11. B. Etwari Nuniyain.
12. Lala Nunia.	
13. Nira Nunia.	

2. The workmen were represented by Bihar Koyla Mazdoor Sabha and the Union, on their behalf, filed a written statement on 18th October 1962. The employers also, by way of a rejoinder, filed their written statement on 28th November 1962, and, thereafter, on behalf of the workmen, a rejoinder was filed on 4th February 1963.

3. The main defence of the workmen was that no notice under Section 9A of the Act was given by the management; that the transfer on 24th March 1962

of the male workers, who were working as quarry *mazdoors* on the surface, to work as Pick-Miners in Pits 1 and 4 and of the female workers, who were working as quarry *kamins*, to work as wagon loaders was illegal and unjustified; that the new jobs were not at all suitable alternative work from any point of view; that, as the workmen concerned did not join their new jobs the management stopped them from work, which amounted to illegal termination of their services, and can, therefore, be deemed to be retrenchment if the management can satisfy that no other suitable work of Category I was available in the Colliery; that as the management made all the workmen concerned idle illegally they were entitled to reinstatement with full back wages and all the other benefits for the entire period from 16th April 1962 onwards; that if the management however can satisfy that it is unable to provide the workmen with jobs of packing or other suitable work of Category I in the Colliery the workmen should have been retrenched and given the retrenchment compensation.

4. The employers, however, stated in their defence that the workmen concerned were working in the quarry of the Colliery but as the quarry work, where they were working, were over the management tried to provide them with alternative jobs and, therefore, transferred the male quarry workers to work as Pick-Miners in Nos. 1 and 4 Pits of the Colliery and the female *kamins* to work as loaders; that notice in accordance with Section 9A of the Act was issued on 24th March 1962 affecting changes from 16th April 1962; that the workmen were also individually given notices dated 24th March 1962 informing them about the above transfer; that the quarry *kamins* by their joint application dated 14th April 1962 refused to work as Wagon Loaders on the plea that the wagon loaders do not get their earnings etc.; and the male quarry workers also, by a separate joint application dated 14th April 1962, refused to work as Pick-Miners of Nos. 1 and 4 Pits on the ground that the Pick-Miners will be in underground, on piece-rate basis and in rotating shifts; that the management by a letter of 18th April 1962 explained to the workmen concerned the conditions of their transfer and also dispelled their misapprehensions and were given chance to join by 21st April 1962 which they did not do; that notices under Section 9A of the Act were issued to the workmen named in the table of the schedule to the present reference; that the alternative jobs offered to the workmen were suitable and *bonafide*; that in spite of repeated chances being given to the workmen concerned they refused to accept the transfer and work in the jobs offered and, therefore, they alone were responsible for remaining away from the job; that the employers did not at any time retrench or lay-off the workmen concerned but simply transferred them to suitable alternative jobs; and that as the workmen concerned were neither retrenched nor laid-off they were not entitled to get any compensation at all.

5. The management was represented by Sri B. Joshi, Manager, and, Sri Turnbull, Assistant Manager, of the Colliery, whereas, the workmen concerned were represented by Sri Lalit Burman, Secretary of the Bihar Koyla Mazdoor Sabha, Union of the workmen concerned.

6. Both the parties adduced evidence, oral and documentary, in support of their respective cases. The management examined its manager Sri B. Joshi M.W. 1 and the workmen examined Sri Anant Sharma, Vice-President of the Sabha, W.W. 1. Documents filed by both the parties were taken in evidence and exhibited with mutual consent. Documents filed by the management were marked as Exhibits M to M-20 and the documents of the workmen were marked as Exhibits W to W-6.

7. On the evidence produced before me I will now proceed to decide the several issues, set out in the reference mentioned above, one by one.

Issue No. 1:

8. Under this Issue it is to be decided whether any notice under Section 9A of the Act was given by the employers to the workmen concerned, whose names are mentioned in the table attached to the letter of reference. It was admitted by Sri Turnbull, who conducted the case on behalf of the management and who placed arguments on behalf of it, that admittedly no notice under Section 9A was given to any of the 13 male workmen concerned or to any of the 11 female workmen concerned. On behalf of the management however, it was contended that no notice to the workmen concerned was necessary under the amended Rule 34 of the Industrial Disputes (Central) Rules 1957. Rule 34 was amended in 1960, by which the old Rule 35 was omitted and Rule 34 was amended. The Form 'E', referred to in Rule 34, was also amended. It was, therefore, contended that in accordance with the amended Rule 34, a copy of the notice

under Section 9A is to be served on the Secretary of the registered Trade Union of workmen, if there exists any. The management served notice Exhibit M dated 24th March 1962 to the workers and Exhibit M-1 of the same date to the female workers on the Secretary of the Bansdopur Colliery Workers Union, which was the only Union recognised by the management in this Colliery as will appear from the peon book Exhibit M-21. that both the notices were received by Shri S. P. Bakshi, Secretary of the Bansdopur Colliery workers' Union. It was, therefore, contended that the provisions of Section 9A read with the amended Rule 34 were complied with. It was further submitted that, as deposed to by M.W. 1. the Colliery Manager, the notices were also exhibited on the notice board, as required by the amended Rule 34 of the Rules. In reply to the above contention it was argued by Sri Burman that when admittedly no notice under Section 9A was served as required by the said section, on the workmen concerned, there can be no change in the conditions of service of these workmen and the orders of transfer Exhibits M-2 and M-3 which admittedly changed the conditions of service of these workmen, were illegal. He further contended that from Section 9A of the Act read with amended Rule 34 of the Rules it was clear that notice under Section 9A has to be given not only individually to the workmen concerned but also to the Union, and, therefore, even assuming that a notice, as alleged, was sent to the recognised Union by the management, it was not sufficient, as there was a clear violation of Section 9A. He further contended that the registered Union, representing the workmen concerned, as also the other workmen of the Colliery was the Bihar Koyla Mazdoor Sabha and not Bansdopur Colliery Workers' Union, which was a mere puppet Union, patronised by the management, and, therefore, the service of a copy of the notice under Section 9A on the Secretary of the said Union was no compliance with the provisions of amended Rule 34. He also argued that the changes sought to be altered in the conditions of service of these workmen, were not specified in these two notices Exhibits M and M-1, and, therefore, these changes, which should have been mentioned, are stated in para II under Issue No. 2 in the workmen's written statement, and therefore, on this ground also the alleged notices under Section 9A were not validly served.

9. On the arguments presented by both sides, the first question which has to be decided is whether Section 9A read with amended Rule 34 required a notice under Section 9A to be served on the workmen concerned and also on the Secretary of the registered Union, if any. In order to answer this question it would be useful to read Section 9A(a) and the amended Rule 34 of the Rules

Section 9A(a) is in these terms:

"9A. Notice of change.—No employer, who proposes to effect any change in the conditions of service applicable to any workman in respect of any matter specified in the Fourth Schedule, shall effect such change—

(a) without giving to workman likely to be affected by such change a notice in the prescribed manner of the nature of the change proposed to be effected;"

Rule 34, as amended in 1960, is as below:

"Notice of change.—Any employer intending to effect any change in the conditions of service applicable to any workmen in respect of any matter specified in the Fourth Schedule to the Act shall give notice of such intention in Form E.

The notice shall be displayed conspicuously by the employer on a notice-board at the main entrance to the establishment and in the Manager's office:

Provided that where any registered trade union of workmen exists, a copy of the notice shall also be served by registered post on the Secretary of such union."

10. On the plain language of Section 9A(a) it is plain that no employer can effect any change in the conditions of service applicable to any workman in respect of any matter specified in the Fourth Schedule to the Act "without giving to the workmen likely to be affected by such change a notice in the prescribed manner of the nature of the change proposed to be effected." The Proviso to the amended Rule 34 provides that "where any registered trade union of workmen exists, a copy of the notice shall also be served by registered post on the Secretary of such union".

On reading Section 9A(a) along with the Proviso to Rule 34, above quoted, in my opinion, it is manifest that the notice under Section 9A must be given to (a) the workmen concerned; and, (b) a copy of the notice shall also be served on the Secretary of such union by registered post. The word 'also', occurring in the Proviso, in my opinion, makes it clear that notice to the Secretary of the Union has to be given, over and above the notice to the workmen concerned.

In the present case, admittedly no notice was given to any workman, and, therefore, on this ground it must be held that Section 9A was not complied with.

Even assuming that I am wrong in the view I have taken that a notice has to be given also to the workmen concerned individual as contemplated by Section 9A, even then, in the present case, the copy of the notice under Section 9A, Exhibit M and M-1 served on the Secretary of the Bansdeopur Colliery Workers' Union is not sufficient compliance, because (1) the proviso to Rule 34 required such a copy to be served by *registered post*, and, admittedly, in the present case, a copy of the notice was not served by registered post, by the management, but, it is alleged to have been served under a peon book Exhibit M-21; (2) the service of the copy of the notice under Section 9A, even on the Secretary of the recognised union by management, appears to be doubtful, because the Manager M.W. 1 stated on 23rd May 1963, towards the end of his examination, in answer to a question put by the Tribunal, that:

"I have no evidence to prove the service of the notice under Section 9A either on any of the two unions or on any of the workmen concerned."

The peon book was not produced before the Tribunal on 23rd May, 1963. But it was produced today (27th May 1963), at the time of the argument and it shows that all the entries which are nine in number, dated 24th March, 1962 have been written with one ink and pen and appeared to be very suspicious. I am, therefore, unable to accept that the first entry regarding the service of the copies of the two notices Exhibit M. and M.1 on the Secretary of the Bansdeopur Colliery Workers' Union is at all reliable. It appears to me that as that union is under the influence of the management, the Secretary of the said Union has been made to sign this in order to make up the lacuna in the case.

The reason to suspect this act of the management is that the Manager M.W.1 stated in answer to a question put by the Tribunal that "first of all we sent these notices under Section 9A to the workmen concerned by peon book, but some accepted and others did not," and, therefore, notices to those who refused to accept under peon book were sent by registered post acknowledgment due. But he did not remember who accepted under the peon book and who did not as the peon book had not been brought to the court on that day. But subsequently he denied the correctness of the above statement and said that the statement referred to the notice of transfer as he did not send the notice under Section 9A to any of the workmen or to any of the unions. If no notice was sent even to the Bansdeopur Colliery Workers' Union and the management had no evidence to prove the service of notice on it, how then after 4 days, at the time of argument, comes forth the peon book showing the service of notice on this puppet union?

11. There is another reason also to hold that notice under Section 9A was not at all sent even to the other Union, because the Secretary of the Union, who is alleged to have received that notice, was not examined. Furthermore, the Manager, M.W. 1, no doubt, stated in his cross-examination, that it is a fact that only copies of notices Exhibits M and M.1 were sent to but not served on Bansdeopur Colliery Workers' Union. *Prima facie*, therefore, it shows, as argued on behalf of the management, that copies of notices Exhibits M and M.1 were served on the Bansdeopur Colliery Workers' Union. But the question is when the management knew about the existence and functioning of the Bihar Koyla Mazdoor Sabha, which represented the workmen concerned, why no copy of the notice under Section 9A was sent to the Secretary of this Union. In answer to a question put by the Tribunal the Manager M.W.1 admitted that there were two Unions functioning in this colliery, namely, Bansdeopur Colliery Workers Union and Bihar Koyla Mazdoor Sabha, but he said that Bansdeopur Colliery Workers Union had been recognised by the management. He stated further that the total number of workers in his colliery was 400, but he did not know how many belonged to each Union. He further made a very significant statement by admitting that he was working in this Colliery since 1961, and since then he found that Bihar Koyla Mazdoor Sabha was representing these workmen concerned. The Manager M.W.1 further stated, towards the end of his cross-examination, on



behalf of the workmen, that he did not know if no workman of his Colliery was a member of the Bansdeopur Colliery Worker's Union. If the Manager M.W. 1 was working in this Colliery since 1961 and he found that the Bihar Koyla Mazdoor Sabha was representing these workmen concerned, what was the reason that a copy of the notice was not sent to the Secretary of this Union but to the Secretary of the new Union which was recognised by it, although the latter did not have any of these workmen as members of the new Union? This clearly goes to show that the Bansdeopur Colliery Worker's Union was in collusion, and under the influence of the management. The peon book was produced after 4 days showing the receipt of the copy of notices M and M.1 in the name of the Secretary of the said Union. The evidence of the Manager M.W. 1 is so contradictory that it is impossible to reply upon one statement in preference to the other.

For these reasons, in my opinion, it must be held that a copy of the notice was not served even on the Secretary of the Bansdeopur Colliery Workers' Union. I hold further that even if such a notice was served it is not a valid notice inasmuch as admittedly since 1961 from before the service of the notice, the Bihar Koyla Mazdoor Sabha was representing the workmen concerned and this fact was known to the Manager M.W. 1.

12. There is still another reason for supporting my finding that Section 9A was not complied with. The copy of the notice has to be served by registered post on the Secretary of the Union as contemplated by the Proviso to Rule 34, but, in the present case, admittedly the said notice was not sent by registered post but by hand. This cannot be considered, even assuming that notice was served by peon book, as valid and sufficient compliance of the Proviso to Rule 34, when there is a dispute about its compliance. The reason why the Proviso to Rule 34 provides that a copy of the notice shall be sent by registered post to the Secretary of the Union is that if such a registered notice is sent then there will be no occasion for saying that no notice was sent at all. If such a notice has been sent by registered post then the question of genuineness or otherwise would not arise. For this reason also, in my opinion, there is no compliance of Section 9A of the Act.

13. Rule 34 of the Rules further provides that the notice under Section 9A shall be displayed conspicuously on the notice board at the main entrance in the Manager's office. In the present case there is no reliable evidence to hold that this provision of Rule 34 was complied with. The Manager M.W. 1 simply stated, in answer to a question put by the Tribunal, that notice under Section 9A was only affixed on the notice board which was kept for a month. But he does not say whether this notice was displayed at both the places, namely, on Notice Board at the main entrance of the establishment and on notice board in the Manager's office. It is true that this fact is not denied specifically by W.W. 1, but it was not admitted either by the workmen that such a notice was hung up anywhere at all. Even on the evidence of the Manager M.W. 1 it is not clear as to whether the notice under Section 9A was exhibited on the notice board of which place or on both the places. In this state of uncorroborated evidence of M.W. 1 it is impossible to hold that the second part of Rule 34 was complied with.

14. As regards the argument that all the changes intended to be effected, which are specified in detail in para 11 of the written statement of the workmen, are not mentioned in the two notices M and M.1, and, therefore, on that ground the said notices are of no value does not appeal to me. The notice (Exhibit W.) mentioned specifically that:

"Since the quarry work, where you had been working will be over very shortly you are hereby transferred to work as a pick-miner in Nos. 1 and 4 Pits.

This transfer will take effect from 16th April 1962."

In my opinion, the very fact that these workmen, who were working previously as quarry mazdoors or Quarry Kamins, were being transferred as Pick Miners and wagon loaders which they were doing before is a clear indication of the change of conditions of service and that was quite sufficient, and, therefore, in that respect notices M and M.1 were quite valid.

15. For the reasons given above, I hold that no notice, as contemplated by Section 9A of the Act, in the manner prescribed by amended Rule 34 of the Rules, was served, and, therefore, the management had no right to effect any change in the conditions of service applicable to the workmen concerned. On this ground alone it must be held that the transfer of the workmen concerned from the jobs which they were previously doing to other jobs which admittedly necessitated change of conditions of service, was illegal and inoperative. Issue No. 1 is, therefore, answered accordingly.

## Issue No. 2:

16. This issue refers to the question whether alternative jobs offered by the management to the workmen concerned were suitable jobs. The admitted position is this:

The male workers were working previously as quarry mazdoors on the surface. Admittedly in that job these male workers had not to work underground nor they had to cut coal but only to remove the layer in the quarry on the surface and as quarry mazdoors they used to get wages of Category I wages, that is, Re. 1 and pies six.

The female workers, who are concerned in the present dispute, previously were working as quarry kamins. In that capacity they had to work on the surface and they were also paid wages of Category I. The management, in lieu of their own jobs, offered the male workers the alternative job of Pick-Miners in underground. It was admitted by the management that in that job the male workers had to work underground and as Pick-Miners they had to cut coal which previously they never did and they had no experience to do. As Pick-Miners they will be getting wages of Category V i.e. Rs. 1-31 nP. It is also admitted that the job of a quarry mazdoor is time-rated whereas of Pick-Miner is piece-rated.

The management offered female workers the alternative job of wagon-loaders on the surface in which job they would be entitled to get category IV wages, which are Rs. 1-25nP. It is not disputed by the above workmen that after service of notice under Section 9A of the Act conditions of service can be changed from skilled to unskilled and *vice versa* and it was further admitted that Category I workers were absolutely unskilled workers. Manager of the Colliery M.W.1 stated that in the past the male workers previously worked also underground in the capacity of packing mazdoor, and the female workers also worked in the past in the work of wagon loading. On this ground it was urged that the alternative jobs were not at all new to these workers and therefore they were quite suitable. On behalf of the Union it was very strongly urged that packing work was available still in the Colliery, as admitted by the Manager M.W.1. But these workers are not being given packing work which is also of Category I and is time-rated but instead they are asked to do piece-rated work of which they had no experience at all. M.W.1 however stated that after the quarry was stopped, packing work was not available for these workers because this work was carried on under the guidance and the rules of the Coal Board and on contract system. He admitted that after the order of transfer of these workmen concerned, he had no knowledge of any contractor in underground packing work. The Manager of the Colliery M.W.1 has given reasons in support of the case of the management that the alternative jobs are suitable. Whereas the workmen have examined the Vice-President of the Union W.W.1, who has given reasons for saying that the alternative jobs offered were not at all suitable. On the evidence it appears that as wagons are not supplied regularly by Railway Authorities the wagon loaders cannot be given work regularly as deposed to by W.W.1. Therefore, it was argued, on behalf of the workmen, that the female workers who have been transferred as wagon loaders can at best get 75 per cent of Category IV wages, which would be less than the wages earned by them for Category I work, and further that the present work of quarry Kamin as time-rated and time-rated workers get annual increment as fixed by the Das Gupta Award. This facility will be taken away if transferred to work as piece-rated workers and, therefore, the transfer affected adversely the conditions of service of the workmen concerned and the alternative jobs could not at all be considered as suitable.

17. On a consideration of the evidence and materials on record, and for the reasons given above, I am of the opinion that the alternative jobs offered to these workmen concerned, both male and female workers, cannot be considered to be suitable jobs at all. The transfer of these workmen concerned to the alternative jobs does not appear to be bonafide for the simple reason that when packing work was available still after the stoppage of the quarry and packing work was category and time-rated, there was no justification in not giving packing work to these workmen concerned but transfer them to jobs which were piece-rated and of different categories, especially when the male workers had never worked as Pick-Miners and as such they have had no experience of cutting coal and female workers had also never worked as wagon loaders in the past. I, therefore, hold that the alternative jobs were not suitable jobs.

## Issue No. 3:

18. It was conceded by the learned representatives of both sides that the action of the employer in transferring the workmen concerned from the work which

they were doing before to the new work in Pits 1 and 4 amounted to neither retrenchment nor lay-off but that amounted to transfers. I, therefore, hold that the action of the management amounted to transfer of the workmen concerned and not to retrenchment or lay-off.

*Issue No. 4 :*

19. On my finding on Issue No. 3 that the action of the workmen did not amount to retrenchment or lay-off, it follows that the workmen concerned are not entitled to any retrenchment or lay off compensation, and, therefore, the question of computation of the amount of the said compensation does not arise.

*Issue No. 5 :*

20. On my finding that the transfer of the workmen concerned to the new jobs was illegal it follows that they are entitled to be reinstated, with full back wages and other emoluments which they would have been entitled to if they had normally continued in service.

In this connection, however, it is necessary to mention that it was conceded by both sides that quarry work is over and, therefore, these workmen cannot be reinstated to their previous jobs. On this admitted position, I find no reason why these workmen should not be given a time-rated Category I work, unlike piece-rated work of Pick Miners. If, however, the management is unable to provide work to these workmen concerned it will be open to the management to retrench these workmen concerned on payment of retrenchment compensation as provided in Section 25F in the manner provided therein. It was admitted on behalf of the management that these workmen concerned were employed in this Colliery in continuous service for not less than one year. Under these circumstances it is clear that Section 25F applies to the present case. On behalf of the management also it was not disputed that in such a case section 25F will apply.

21. I, therefore, answer the reference in favour of workmen holding that—

- (1) Notice under Section 9A was not given;
- (2) Alternative jobs were not suitable jobs;
- (3) Action of the management did not amount to retrenchment or lay-off;
- (4) Workmen concerned were not entitled to any retrenchment or lay-off compensation; and
- (5) The workmen were entitled to be put back and re-instated to their old jobs with full back wages.

22. This is my award which I make and submit to the Central Government under Section 15 of the Act.

DHANBAD,

The 28th May, 1963.

(Sd.) RAJ KISHORE PRASAD,  
Presiding Officer,

Central Government Industrial Tribunal, Dhanbad.  
[No. 2/94/62-LR.II.]

S.O. 2713.—In pursuance of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the Industrial Tribunal, Bombay in the industrial dispute between the employers in relation to Messrs Dharsi Moolji, Bombay and their workmen which was received by the Central Government on the 9th September 1963.

BEFORE THE CENTRAL GOVERNMENT INDUSTRIAL TRIBUNAL AT BOMBAY

REFERENCE No. CGIT-46 of 1962

Employers in relation to M/s. Dharsi Moolji, Bombay

AND

Their Workmen.

PRESENT :

Shri Salim M. Merchant—Presiding Officer.

**APPEARANCES:**

*For the employers:* Shri B. M. Bhatt, Labour Adviser, with Shri Y. H. Rane, Manager and Shri K. S. Shah, Accountant.

*For the workmen:* Shri E. K. Sowani, Advocate with Shri I. S. Sawant, Assistant Secretary, Transport & Dock Workers' Union, Bombay.

**INDUSTRY:** Ports & Docks.

**STATE:** Maharashtra.

*Bombay, dated 6th September 1963*

**AWARD**

The Central Government, by the Ministry of Labour & Employment's Order No. 28/79/62-LRIV dated 29th November 1962, made in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (XIV of 1947), was pleased to refer the industrial disputes between the parties above-named, in respect of the subject-matters specified in the following schedule to the said order, to me for adjudication.

**SCHEDULE**

- (1) How far the demand of workmen for increase in wages is justified?
- (2) How far the demand of workmen for payment of bonus for the accounting years 1960-61 and 1961-62 is justified?

2. M/s. Dharsi Moolji are contractors working under an agreement with M/s. Mackinnon Machenzle & Co. Pvt. Ltd. They unload and load cargo despatched by vessels from Persian Gulf and Africa. The firm employs for that purpose categories of workmen i.e. shivnars, pallewalas, carpenters, daily rated sorters, tally clerks and delivery clerks and it is admitted that the demand for increased wages has been made on behalf of these workmen by the Transport & Dock Workers' Union which represents them. In an earlier dispute between this company and its workmen (Reference No. CGIT-3 of 1960), I had by my Award dated 22nd February 1960, awarded to the workmen of this firm an increase of 17nP. in terms of a settlement reached between the parties. This increase of 17nP. was granted with effect from 1st January 1960. It appears that the industry had earlier granted an increase of 19nP. with effect from 1st January 1959 whilst this company under the settlement in the earlier dispute had to pay an increase of 17nP. with effect from 1st January 1960. It appears that thereafter the industry which includes stevedore firms and the Dock Labour Board gave a further increase of 19nP. from 1st July, 1960 and a second increase of 19nP. in the wages from 1st November 1961. It appears that this firm did not give these increases to its workmen. Consequently, this union on 14th July 1962, demanded an increase in wages of the workmen of this company of 38nP. with effect from 1st November 1961. The company opposed the demand and the matter was thereupon taken up in conciliation by the Conciliation Officer along with the demand for bonus for the company's accounting years 1960-61 and 1961-62 but the conciliation efforts ended in failure and the Conciliation Officer (Central), Bombay submitted his Failure Report to Government, after which this reference was made to this Tribunal.

3. There is not the least doubt that the majority of employers in this industry have granted the wage increases as stated earlier. The management has pleaded that it cannot afford to grant this increase because it has a very small margin left to it on the basis of the rate fixed by its principals, M/s. Mackinnon Machenzle & Co. Pvt. Ltd. of which they are contractors.

4. I am however, more than satisfied that the least that the company can do is to give an increase of 38 nP. in the daily wages of these workmen, viz. shivnars, pallewalas, carpenters, daily rated sorters, tally clerks and delivery clerks employed by them and I, therefore, on Issue No. 1 award that the demand of these categories of workmen for increase in wages is justified to the extent of 38 nP. per day.

5. The next question that falls for consideration is from which date the benefit of this increase should be granted. The union has explained that the workmen are entitled to this increase with retrospective effect from 1st November 1961, considering that the industry has granted this increase from that date. Shri Bhatt for the management has pleaded his inability to bear such a heavy burden and stated that this increase may be granted from a much later date. However, considering that the demand was put forward on 14th July 1962, though no doubt, this increase was claimed from 1st November 1961, I think that the proper date from which to grant retrospective effect to the increase of 38nP. per day should be from 1st August 1962 and I direct accordingly. I further direct that the dues of the workmen under my award on this demand should be paid to them within a month from the date this Award becomes enforceable.

*Demand for bonus for the accounting years 1960-61 & 1961-62.*

6. At the hearing upon the company offering to make an *ex-gratia* payment of Rs. 500/- as bonus for each of the two years under reference i.e. in all Rs. 1000/-. The union did not press this demand. It was agreed that the amount would be distributed amongst the workmen in service in those years on or before 1st October 1963 and I direct accordingly.

No order as to costs.

Sd./- SALIM M. MERCHANT,  
Presiding Officer,  
Central Government Industrial Tribunal,  
Bombay.  
[No. 28/79/62/LR.IV.]

#### ORDERS

*New Delhi, the 10th September 1963*

**S.O. 2714.**—Whereas, the Central Government is of opinion that an industrial dispute exists between the employers in relation to the Digwadih Colliery of Messrs. Tata Iron and Steel Company Limited, Jamadoba, Post Office Jealgora, District Dhanbad, and their workmen in respect of the matters specified in the Schedule hereto annexed;

And, whereas, the Central Government considers it desirable to refer the said dispute for adjudication;

Now, therefore, in exercise of the powers conferred by clause (d) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute for adjudication to the Industrial Tribunal, Dhanbad, constituted under section 7A of the said Act.

#### SCHEDULE

Whether the non-payment of retirement gratuity by the management of the Digwadih Colliery of Messrs. Tata Iron and Steel Company Limited, to Shri Haru Gope, driller, is justified. If not, to what relief is he entitled.

[No. 2/44/63-LR.II.]

*New Delhi, the 11th September 1963*

**S.O. 2715.**—Whereas, an industrial dispute between the employers in relation to the Indian Bank Limited and their workmen in respect of the matter specified in the Schedule hereto annexed was referred for adjudication to the Industrial Tribunal at Madras presided over by Shri P. N. Ramaswami, by the Order of the Government of India in the Ministry of Labour and Employment, No. S.O. 2107, dated the 19th July, 1963 and was pending before the said Industrial Tribunal;

And whereas, consequent on the demise of Shri P. N. Ramaswami, his services have ceased to be available;

Now, therefore, in exercise of the powers conferred by section 7A, clause (d) of sub-section (1) of section 10, and sub-section (1) of section 33B of the Industrial Disputes Act, 1947, (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal with Shri S. Ganapatia Pillai as the Presiding Officer with headquarters at Madras, withdraws the proceedings in relation to the said dispute from the Industrial Tribunal presided over by late Shri P. N. Ramaswami and transfers the same to the Industrial Tribunal constituted with Shri S. Ganapatia Pillai as the Presiding Officer thereof and directs that the said Industrial Tribunal shall proceed with the said proceedings from the stage at which they are transferred to it and dispose of the same according to law.

#### SCHEDULE.

Whether the imposition of a fine of Rs. 5 on Shri L. Kathiresan, Clerk of the Sirkali Branch, since transferred to Annamalainagar Branch of the Indian Bank Limited, Madras, is justified; if not, to what relief is the workman entitled?

[No. 51(25)/63-LR.IV.]

**S.O. 2716.**—Whereas an industrial dispute between the employers in relation to the Chaldean Syrian Bank Limited and their workmen in respect of the matter specified in the Schedule hereto annexed was referred for adjudication to the

Industrial Tribunal at Madras presided over by Shri P. N. Ramaswami, by the Order of the Government of India in the Ministry of Labour and Employment, No. S.O. 2177, dated the 26th July, 1963, and was pending before the said Industrial Tribunal;

And whereas, consequent on the demise of Shri P. N. Ramaswami his services have ceased to be available;

Now, therefore, in exercise of the powers conferred by section 7A, clause (d) of sub-section (1) of section 10, and sub-section (1) of section 33B of the Industrial Disputes Act, 1947, (14 of 1947), the Central Government hereby constitutes an Industrial Tribunal with Shri S. Ganapatia Pillai as the Presiding Officer with headquarters at Madras, withdraws the proceedings in relation to the said dispute from the Industrial Tribunal presided over by late Shri P. N. Ramaswami and transfers the same to the Industrial Tribunal constituted with Shri S. Ganapatia Pillai as the Presiding Officer thereof and directs that the said Industrial Tribunal shall proceed with the said proceedings from the stage at which they are transferred to it and dispose of the same according to law.

#### SCHEDULE.

Whether the management of Chaldean Syrian Bank Limited was justified in deducting the wages due to Shri Inasu for the 3rd February, 1962, and, if not, to what relief is he entitled?

[No. 51(15)/63-LRIV.]

*New Delhi, the 13th September 1963*

S.O. 2717.—In exercise of the powers conferred by sub-section (3) of section 19 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby extends the period of operation of the award of the National Industrial Tribunal, Bombay in the industrial dispute referred to the said Tribunal by the Order of the Government of India in the Ministry of Labour and Employment No. 707 dated the 21st March, 1960 and published with the notification of the Government of India in the Ministry of Labour and Employment, No. S.O. 3031 dated the 22nd September, 1962, in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (1) dated the 29th September, 1962, by a period of one year.

[No. 55(25)/63-LRIV.]

A. L. HANDA, Under Secy.

*New Delhi, the 16th September 1963*

S.O. 2718.—In exercise of the powers conferred by sub-section (1) of section 3, read with section 4 and sub-section (2) of section 5 of the Minimum Wages Act, 1948 (11 of 1948), the Central Government, after considering the advice of the Committee appointed under sub-section (1) of section 5 of the said Act, hereby fixes the minimum rates of wages payable to the persons employed in the Sugarcane Farm at the National Sugar Institute, Kalyanpur, Kanpur, at the sums mentioned in the Table below against each category of persons and directs that this notification shall come into force on and from the 25th September 1963.

TABLE

Categories of workers (1)	All inclusive minimum wages per day (2)
1. Casual daily labour—Adult	Rs. 2.00 (for male) Rs. 1.75 (for female)
2. Mate	Rs. 2.50
3. Ploughman	Rs. 2.25
4. Carpenter	Rs. 4.00
5. Tractor Driver	Rs. 4.50
6. Cleaner	Rs. 2.25
7. Tubewell Operator	Rs. 3.50
8. Cattleman	Rs. 2.25
9. Chowkidar	Rs. 2.25
10. Mason	Rs. 4.00
11. Supervisory staff at daily wages (Intermediate)	Rs. 3.00

NOTE.—The rates of wages indicated in this notification shall be exclusive of the wage due for the weekly day of rest.

[No. LWI(I)6(2)/62.]

K. K. UPPAL, Under Secy.

# MINISTRY OF COMMERCE & INDUSTRY

(Indian Standards Institution)

New Delhi, the 5th September 1963

**S. O. 2719**—In pursuance of sub-regulation (1) of regulation 8 of the Indian Standards Institution (Certification Marks) Regulations, 1955, as amended in 1961 and 1962, the Indian Standards Institution hereby notifies that nine licences, particulars of which are given in the Schedule hereto annexed have been granted authorizing the licensees to use the Standard Mark.

## THE SCHEDULE

Serial No.	Licence No. and Date	Period of Validity		Name and Address of the Licensee	Article/Process Covered by the Licence	Relevant Indian Standard
		From	To			
1	2	3	4	5	6	7
1	CM/L-568 8-8-1963 .	1-9-63	31-8-64	M/s. Tata-Fison Ltd., Pandit Motilal Nehru Road, Jamuna Kinara, Agra having their office at Union Bank Building, Dalal Street, Fort, Bombay-1.	Copper Oxychloride Water Dispersible Powder Concentrates.	IS: 1507-1959 Specification for Copper Oxychloride Water Dispersible Powder Concentrates.
2	CM/L-569 8-8-1963 .	1-9-63	31-8-64	M/s. Tata-Fison Ltd., Pandit Motilal Nehru Road, Jamuna Kinara, Agra having their office at Union Bank Building, Dalal Street, Fort, Bombay-1.	Endrin Emulsifiable Concentrates.	IS: 1310-1958 Specification for Endrin Emulsifiable Concentrates.
3	CM/L570 23-8-1963 .	1-10-63	30-9-64	M/s. Radio & Electricals Manufacturing Co. Ltd., Post Bag No. 16, Mysore Road, Bangalore-18.	(i) PVC Insulated Flexible Cords, 250 Volts Grade. (ii) PVC Insulated Cables, 650 Volts Grade.	IS: 694-1960 Specification for PVC Cables and Cords for Electric Power and Lighting for Working Voltages Up to and Including 650 Volts to Earth (Tentative Amended).
4	CM/L-571 23-8-1963	15-9-63	14-9-64	M/s. Multiple Core Solders Private Ltd., 69, Main Road, White Field, Bangalore.	Rosin Cored Solder Wire, Activated (Non-Corrosive), Grade 40/60.	IS: 1021-1961 Specification for Rosin Cored Solder Wire Activated and Non-Activated (Non-Corrosive).

1	2	3	4	5	6	7
5	CM/L-572 27-8-1963 .	1-10-63	30-9-64	M/s. Flintrock Products Private Ltd., Belvedere Road, Mazgaon, Bombay-10.	Endrin Emulsifiable Concentrates.	IS : 1310-1958 Specification for Endrin Emulsifiable Concentrates.
6	CM/L-573 29-8-1963 .	1-10-63	30-9-64	M/s. Nestle's Products (India) Ltd., Link House, 3 Mathura Road, New Delhi-1 (Factory at Ludhiana-Ferozepur Link Road, Near Kingwah Canal, Moga (Punjab) under the Style of M/s. Food Specialities Limited).	Condensed Milk Full-Cream, Sweetened.	IS: 1166-1957 Specification for Condensed Milk.
7	CM/L-574 29-8-1963	1-9-63	31-8-64	M/s. Padma Limited, P.O. Olivacherra, Distt. Cachar, Assam.	Tea-Chest Plywood Panels.	IS: 10-1953 Specification for Plywood Tea-Chests ( <i>Revised</i> ).
8	CM/L-575 30-8-1963	1-10-63	30-9-64	M/s. Hindustan Steel Ltd., Bhilai Steel Plant, Bhilai-1, Distt. Durg (Madhya Pradesh) having their office at P.O. Hinoo, Ranchi.	Structural Steel (Fusion Welding quality).	IS: 2062-1962 Specification for Structural Steel (Fusion Welding Quality).
9	CM/L-576 30-8-1963	1-10-63	30-9-64	M/s. Hindustan Steel Ltd., Durgapur Steel Project, Durgapur-3 Burdwan, West Bengal having their office at P.O. Hinoo, Ranchi.	Structural Steel (Fusion Welding quality).	IS: 2062-1962 Specification for Structural Steel (Fusion Welding Quality).

[No. MD/12:1139.]



**S.O. 2720**—In pursuance of sub-regulation (1) of regulation 8 of the Indian Standards Institution (Certification Marks) Regulations, 1955, as amended in 1961 and 1962, the Indian Standards Institution hereby notifies that twentyfive licences, particulars of which are given in the Schedule hereto annexed, have been renewed.

THE SCHEDULE

Serial No.	Licence No. and Date	Period of Validity		Name and Address of the Licensee	Article(s) covered by the licence	Relevant Indian Standard(s)
		From	To			
1	2	3	4	5	6	7
1	CM/L-136 3-8-1959 .	17-8-63	16-8-64	M/s. Liberty Chemical Works, Nagardas Road, Mogra West Andheri (East), Bombay.	Sodium Thiosulphate, Photographic Grade.	IS: 246-1957 Specification for Sodium Thiosulphate ( <i>Revised</i> ).
2	CM/L-137 3-8-1959 .	17-8-63	16-8-64	The Assam Railways & Trading Co. Ltd., Margherita, Assam.	Tea-Chest Plywood Panels.	IS: 10-1953 Specification for Plywood Tea-Chests ( <i>Revised</i> ).
3	CM/L-200 15-6-1960 .	15-8-63	14-8-64	M/s. Bharat Pulverising Mills Private Ltd., 589, Thiruvottiyur High Road, Madras-19.	DDT Dusting Powders.	IS: 564-1961 Specification for DDT Dusting Powders ( <i>Revised</i> ).
4	CM/L-202 15-6-1960 .	15-8-63	14-8-64	M/s. Bharat Pulverising Mills Private Ltd., 589, Thiruvottiyur High Road, Madras-19.	BHC Dusting Powders.	IS: 561-1962 Specification for BHC Dusting Powders [ <i>Second Revision</i> .]
5	CM/L-208 29-7-1960 .	15-8-63	14-8-64	M/s. Bengal Chemical and Pharmaceutical Works Ltd., 6, Ganesh Chunder Avenue, Calcutta.	Naphthalene	IS: 539-1955 Specification for Naphthalene.
6	CM/L-212 25-8-1960	1-9-63	31-8-64	M/s. Cassava (India) 122 B, Raja Dinendra Street, Calcutta-4.	Tea-Chest Metal Fittings	IS : 10-1953 Specification for Plywood Tea-Chests ( <i>Revised</i> ).
7	CM/L-213 25-8-1960	1-9-63	31-8-64	M/s. Plywood Manufacturers Co-operative Society Ltd., 11/3 A, Canal Circular Road, Calcutta.	Tea Chest Plywood Panels	IS : 10-1953 Specification for Plywood Tea-Chests ( <i>Revised</i> ).

1	2	3	4	5	6	7
8	CM/L-328 31-7-61	15-8-63	14-8-64	M/s. Metal Containers (P) Ltd., Industrial Estate, Naini, Allahabad.	18-Litre Square Tins	IS : 916-1958 Specification for 18-Litre Square Tins.
9	CM/L-330 7-8-1961	15-8-63	14-8-64	M/s. Murarka Engineering Works, 28/37, Najafgarh Road, Industrial Area, New Delhi.	(i) Spring Leaf for Automobile Suspension. (ii) Leaf Spring for Automobile Suspension.	IS : 1135 -1957 Specification for General Requirements for Leaf Springs for Automobile Suspension.
10	CM/L-332 10-8-1961	15-8-63	14-8-64	M/s. Tata-Fison Limited, Union Bank Building, Dalal Street, Fort, Bombay-1.	Endrin Emulsifiable Concentrates.	IS : 1310 -1958 Specification for Endrin Emulsifiable Concentrates.
11	CM/L-333 24-8-1961	1-9-63	31-8-64	M/s. Tata-Fison Limited, Pandit Motilal Nehru Road, Jumna Kinara, Agra (U.P.)	DDT Dusting Powders	IS : 564-1961 Specification for DDT Dusting Powders. (Revised).
12	CM/L-435 30-7-1962	10-8-63	9-8-64	The Atul Products Limited, Post Atul, Via Bulsar (W. Rly), Dist. Surat (Gujarat State).	Tartrazine	IS : 1694-1960 Specification for Tartrazine.
13	CM/L-436 30-7-1962	10-8-63	9-8-64	The Atul Products Limited, Post Atul, Via Bulsar (W. Rly), Dist. Surat (Gujarat State).	Sunset Yellow FCF	IS : 1695-1960 Specification for Sunset Yellow.
14	CM/L-437 30-7-1962	10-8-63	9-8-64	The Atul Products Limited, Post Atul, Via Bulsar (W. Rly), Dist. Surat (Gujarat State).	Amarnath	IS : 1696-1960 Specification for Amarnath.
15	CM/L-439 31-7-1962	16-8-63	15-8-64	M/s. Narhari Engineering Works, Compound of India Timber Trading Co., Sewri Cross Road, Bombay-15 having their office at 480 Kalbadevi Road, Bombay-2.	Small AC and Universal Electric Motors with Class 'A' Insulation.	IS : 996-1959 Specification for Small AC and Universal Electric Motors with Class 'A' Insulation.
16	CM/L-440 31-7-1962	16-8-63	15-8-64	M/s. Mysore Insecticides Company, 18, Vaidyanatha Mudali Street, Tondiarpet, Madras-21 having their office at 31-A, North Beach Road, Madras-1.	Endrin Emulsifiable Concentrates.	IS : 1310 -1958 Specification for Endrin Emulsifiable Concentrates.

17	CM/L-441 31-7-1962	16-8-63	15-8-64	M/s. Engineering Products Ltd., Jogeshwari Estate, Ghod Bunder Road, Jogeshwari, Bombay-60.	Three-Phase Induction Motors Up to 10 HP.	IS : 325-1961 Specification for Three-Phase Induction Motors (Second Revision).
18	CM/L-442 20-8-1962	1-9-63	31-8-64	M/s. Kamani Metals & Alloys Limited, Agra Road, Kurla, Bombay-70.	Hot Rolled Brass Sheets and Strips, Grade Bs 60A, for the Manufacture of Utensils.	IS : 422-1959 Specification for Brass Sheet and Strip for the Manufacture of Utensils.
19	CM/L-443 20-8-1962	1-9-63	31-8-64	M/s. Kamani Metals & Alloys Limited, Agra Road, Kurla, Bombay-70.	Hot Rolled Copper Sheets and Strips, Grade 1, for the Manufacture of Utensils and for the General Purposes.	IS : 1550-1960 Specification for Copper Sheet and Strip for the Manufacture of Utensils and for the General Purposes.
20	CM/L-444 20-8-1962	1-9-63	31-8-64	M/s. Hindustan Steel Ltd., Rourkela Steel Project, Rourkela, Orissa having their Regd. Office at P.O. Hinoo, Ranchi.	Structural Steel.	IS : 226-1958 Specification for Structural Steel. (Second Revision).
21	CM/L-445 20-8-1962	1-9-63	31-8-64	M/s. Hindustan Steel Ltd., Rourkela Steel Project, Rourkela, Orissa having their Regd. Office at P.O. Hinoo, Ranchi.	High Tensile Structural Steel.	IS : 961-1957 Specification for High Tensile Structural Steel.
22	CM/L-446 20-8-1962	1-9-63	31-8-64	M/s Hindustan Steel Limited, Rourkela Steel Project, Rourkela, Orissa having their Regd. Office at P.O. Hinoo, Ranchi.	Special Qualities of Steel Sheets.	IS : 513-1954 Specification for Special Qualities of Steel Sheets (Tentative).
23	CM/L-447 20-8-1962	1-9-63	31-8-64	M/s. Hindustan Steel Limited, Rourkela Steel Project, Rourkela, Orissa having their Regd. Office at P.O. Hinoo, Ranchi.	Light Gauge Structural Quality Hot Rolled Carbon Steel Sheet and Strip.	IS : 1079-1958 Specification for Light Gauge Structural Quality Hot Rolled Carbon Steel Sheet and Strip.
24	CM/L-448 24-8-1962	1-9-63	31-8-64	The Bharat Plywood & Timber Products (P) Ltd., Cannanore, North Malabar (Factory at Baliapatam).	Tea-Chest Plywood Panels.	IS : 10-1953 Specification for Plywood Tea-Chests (Revised).

1	2	3	4	5	6	7
25	CM/L-449 24-8-1962	1-9-63	31-8-64	M/s. Victor Cables Corporation, 802, Joshi Road, Karol Bagh, New Delhi having their office at Sadar Bazar, Delhi.	Vulcanized Rubber Insulated (VIR) Cables, TRS (Tough Rubber Sheathed) 250 Volts Grade, Taped/Untaped, Braided and Compounded 250 and 660 Volts Grade and Weatherproof Cables of 250 and 660 Volts Grade; Vulcanized Rubber-Insula- ted (VIR) Flexible Cords, Twin Twisted and Braided 250 Volts Grade.	IS : 434-1953 Specification for Rubber-Insulated Cables and Flexible Cords for Electric Power and Lighting (For Working Voltages Up to and Including 11 kV) ( <i>Tentative</i> ).

[No. MD/12 : 246].

New Delhi, the 11th September, 1963

**S.O. 2721.**—In pursuance of regulation 4 of the Indian Standards Institution (Certification Marks) Regulations, 1955, as amended in 1961 and 1962, the Indian Standards Institution hereby notifies that amendments to the Indian Standards, given in the Schedule hereto annexed, have been issued under the powers conferred by sub-regulation (1) of regulation 3 of the said regulations.

THE SCHEDULE

Sl. No.	No. and title of the Indian Standard amended	No. & date of Gazette Notification in which the establishment of the Indian Standard was notified	No. and date of the Amendment	Brief particulars of the Amendment	Date from which the Amendment shall have effect.
1	2	3	4	5	6
1	IS : 157-1950 Specification for ready Mixed Paint, Brushing, Acid and Alkali Resisting, Lead-Free, for General Purposes to Indian Standard Colours.	S. R. O. 658 dated 26th March 1955	No. 1 June 1963	(i) Clause 3, 1, line 3—Substitute ' 500 g' for ' 1 lb (or 450 g) '.	1 September 1963.
				(ii) Table I, Col. 3, against Sl. No. (xii)—Substitute ' 35°C' for ' 35°C (or 95°F) '.	
				(iii) Table I, Col. 2, against Sl. No. (xiv)—Substitute ' Weight in kg./10 litres' for ' Weight per Imperial gallon '.	
				(iv) Appendix A, Clause 1.1—	
				(a) line 2—Substitute ' 150×50 mm' for ' 6 by 2 in (or 150 by 50 mm) '.	
				(b) line 4—Substitute ' weight in kg/10 litres' for ' weight per Imperial gallon'.	
2	IS : 158-1950 Specification for Ready Mixed Paint, Brushing, Bituminous, Black, Lead-Free, Acid, Alkali, Water and Heat Resisting, for General Purposes.	S. R. O. 658 dated 26th March 1955.	No. 1 June 1963.	(i) Clause 3.1, line 3—Substitute ' 500 g' for ' 1 lb (or 450 g) '.	1 Sept. 1963.
				(ii) Table I, Col. 3, against Sl.No. (xii)—Substitute ' 35° C' for ' 35° C (or 95°F) '.	

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3 IS : 162-1950 Specification for Ready Mixed Paint, Brushing, Fire Resisting, Silicate Type, For Use on Wood, Colour as Required

S.R.O. 658  
dated 26th March  
1955.

No. 1  
June 1963.

(iii) Table I, Col. 2, against Sl. No. (xiv)—  
Substitute ' weight in kg/10 litres ' for  
' Weight per Imperial gallon '.

(iv) Appendix A, Clause 1.1—  
(a) lines 2 and 3—Substitute ' 125 mm'  
for ' 5 in. (or 125 mm) '.

(b) line 3—Substitute ' 90 mm' for ' 3.5  
in. (or 90 mm) '.

(c) line 5—Substitute ' weight in kg/10  
litres ' for ' weight per Imperial gal-  
lon '.

(v) Appendix B, Clause 1.1—  
(a) line 2—Substitute ' 150 × 100 mm'  
for ' 6 by 4 in. (or 150 by 100 mm) '.

(b) line 4—Substitute ' weight in kg/10  
litres ' for ' weight per Imperial gal-  
lon '.

(vi) Appendix C, Clause 1.1—  
(a) line 2—Substitute ' 150 × 50 mm'  
for ' 6 by 2 in. (or 150 by 50 mm) '.

(b) line 4—Substitute ' weight in kg/10  
litres ' for ' weight per Imperial gallon '.

(i) Clause 3, 1, Line 3—Substitute ' 500 g' 1 Sept.  
for ' 1 lb (or 450 g) ' 1963.

(ii) Table I, col. 2, against Sl. No. (ix)—  
Substitute ' Weight in kg/10 litres ' for  
' Weight per Imperial gallon '.

(iii) Appendix B, clause 1.1—  
(a) line 2—Substitute ' 150 × 150 mm'  
for ' 6 by 6 in. (or 150 by 150 mm) '.

(b) line 5—Substitute ' 240 g/m<sup>2</sup> for  
' 7 oz per sq. yd. (or 237 g per sq.  
metre) '.

4. IS : 163-1950 Specification for Ready Mixed Paint, Dipping, Fire Resisting, For Gangways of Coaching Stock

S.R.O. 658  
dated 26 March  
1955

No. 1  
June 1963

(iv) Appendix B, sub-clause 1.1.1, line 3—Substitute '140 g/cm<sup>2</sup>' for '2 lb per sq in. (or 140 g per sq mm)'.

(v) Appendix C, clause 1.1, lines 1 and 2—Substitute '150 × 25 × 13 mm' for '6 by 1 by 0.5 in. (or 150 by 25 by 13 mm)'.

(vi) Appendix C, clause 2.1

(a) line 3—Substitute '40 mm' for '1.5 in. (or 37 mm)'.

(b) line 4—Substitute '8 mm' for '0.3 in. (or 8 mm)'.

(c) line 5—Substitute '25 mm' for '1 in. (or 25 mm)'.

(i) Clause 3.1, line 3—Substitute '500 g' for '1 lb (or 450 g)' 1 Sept. 1963

(ii) Appendix A, clause 1.1—

(a) lines 1 and 2—Substitute '150 × 150 mm' for '6 by 6 in. (or 150 by 150 mm)'.

(b) line 4—Substitute '170 g/m<sup>2</sup> for '5 oz per sq yd'.

(iii) Appendix C, clause 1.1, line 1—Substitute '450 × 25 mm' for '18 by 1 in. (or 450 by 25 mm)'.

(iv) Appendix C, sub-clause 1.1.1—

(a) line 3—Substitute '40 mm' for '1.5 in. (or 37 mm)'.

(b) line 4—Substitute '8 mm' for '0.3 in. (or 8 mm)'.

(c) line 5—Substitute '25 mm' for '1 in. (or 25 mm)'.

(v) Appendix C, clause 1.2, line 2—Substitute '75 mm' for '3 in. (or 75 mm)'.

1	2	3	4	5	6
				(vi) Appendix D, sub-clause 1.1.1, line 3— Substitute '140 g/cm <sup>2</sup> ' for '2 lb per sq in. (or 140 g per sq cm)'. (i) Clause 3.1, line 3—Substitute "500 g" for '1 lb (or 450 g)'. (ii) Table I, col 2, against Sl No. (ix)— Substitute 'Weight in kg/10 litres' for 'Weight per Imperial gallon'. (iii) Appendix A, clause 2.1— (a) line 3—Substitute 'Weight in kg/10 litres' for 'Weight per Imperial gal- lon'. (b) lines 5 and 6—Substitute '20 mm' for '0.75 in. (or 20 mm)'. (iv) Appendix B, clause 1.1 (a) line 4—Substitute '6 mm' for '0.25 in. (or 6 mm)'. (b) line 5—Substitute '300 mm' for '12 in. (or 300 mm)'. (v) Appendix B, clause 1.2— (a) line 4—Substitute '100 mm' for '4 in. (or 100 mm)'. (b) lines 5 and 6—Substitute '13 mm' for '0.5 in. (or 13 mm)'. (c) lines 9 and 10—Substitute '60 and 110 mm' for '2.5 and 4.5 in. (or 62 and 112 mm)'. (d) lines 11 and 12—Substitute '3.2 kg' for '7 lb (or 3175 g)'. (e) line 17—Substitute '600 ml' for '1 pint (or 570 ml)'. (iv) Appendix B, Fig. 1—	
5. IS : 164-1951 Specification for Ready Mixed Paint, Brushing, for Road Marking, To Indian Standard Colour No. 356 Golden Yellow, And White And Black	S.R.O. 658 dated 26 March, 1955	No. 1 June 1963		1 Sept. 1963	



(a) Substitute '115 mm' for '4½"' and '65 mm' for '2½"'.  
 (b) Substitute the following for the existing Note above the caption of the figure :

A—200 W Motor. B—300 mm Diameter Turntable.

C—Bearings for B. D.—Friction Drive for B.

E—Concrete Disc (Plain or Surfaced with Bituminous Compound). F—Two Rubber-Tyred Wheels, 100 mm dia × 12.5 mm thick. G—Cradle Holding F and Pivoted at H. W—Mass of Lead attached to G and giving Load of 3.2 kg on F; B is rotated at 200 rpm by A'.

(vii) Appendix C. sub-clause 1.1.1, lines 3 and 4—Substitute '140 g/cm²' for '2 lb per sq. in. (140 g per. sq. cm)'.

Copies of these Amendment Slips are available, free of cost, with the Indian Standards Institution, Manak Bhavan, 9 Mathura Road, New Delhi-1 and also at its Branch Offices at (i) 232, Dr. Dadabhai Naoroji Road, Bombay-1. (ii) Third Floor, 11, Sooterkin Street, Calcutta-13, (iii) Second Floor Sathyamurthi Bhavan, 54, General Patters Road, Madras-2, and (iv) 14/69 Civil Lines, Kanpur.


[No. MD/13 : 5]

*New Delhi, the 12th September 1963*

**S.O. 2722**—In pursuance of sub-rule (1) of rule 4 of the Indian Standards Institution (Certification Marks) Rules, 1955, as amended in 1962, the Indian Standards Institution hereby notifies that the Standard Mark (x), design (x) of which together with the verbal description of the design (x) and the title (x) of the relevant Indian Standard (x) is given in the Schedule hereto annexed, has been specified.

This Standard Mark (x) for the purpose of the Indian Standards Institution (Certification Marks) Act, 1952, as amended in 1961, and the rules and regulations framed thereunder, shall come into force with effect from 1 October, 1963.

## THE SCHEDULE


Sl. No.	Design of the Standard Mark	Product/Class of Products to which applicable	No. & Title of Relevant Indian Standard	Verbal description of the design of the Standard Mark
1	2	3	4	5
1	<b>IS:1166</b> 	Condensed Milk	IS:1166-1957 Specification for Condensed Milk.	The monogram of the Indian Standards Institution consisting of letters ISI, drawn in the exact style and relative proportions as indicated in col. (2), the number designation of the Indian Standard being superscribed on the top side of the monogram as indicated in the design.

[No. MD/17:2]

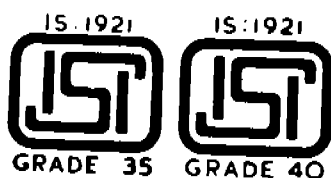
**S.O. 2723**—In pursuance of sub-rule (1) of rule 4 of the Indian Standards Institution (Certification Marks) Rules, 1955, as amended in 1962, the Indian Standards Institution hereby notifies that the Standard Mark (x), design (x) of which together with the verbal description of the design (x) and the title (x) of the relevant Indian Standard (x) is given in the Schedule hereto annexed, has been specified.

This Standard Mark (x), for the purpose of the Indian Standards Institution (Certification Marks) Act, 1952, as amended in 1961, and the rules and regulations framed thereunder, shall come into force with effect from 15 September, 1963.

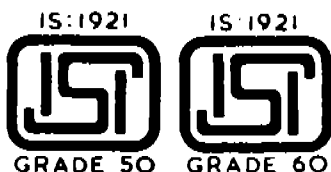
## THE SCHEDULE

Sl. No.	Design of the Standard Mark	Product/Class of Products to which applicable	No. & Title of Relevant Indian Standard	Verbal description of the design of the Standard Mark
1	2	3	4	5
1	<b>IS:1921</b>  <b>GRADE 20</b>	Rosin-Cored Solder Wire, Activated and Non-Activated ( <i>Non-corrosive</i> )	IS:1921-1961 Specification for Rosin-Cored Solder Wire, Activated and Non-Activated ( <i>Non-corrosive</i> )	The monogram of the Indian Standards Institution consisting of letters ISI, drawn in the exact style and relative proportions as indicated in col. (2), the number designation of the Indian Standard being superscribed on the top side

1 2 3 4 5



of the monogram and the relevant grades designation being subscribed under the bottom side of the monogram as indicated in the designs.



[No. MD/17-2]

**S.O. 2724**—In pursuance of sub-regulation (3) of regulation 7 of the Indian Standards Institution (Certification Marks) Regulations, 1955, as amended in 1961 and 1962, the Indian Standards Institution hereby notifies that the marking fee per unit for Condensed Milk details of which are given in the Schedule hereto annexed, has been determined and the fee shall come into force with effect from 1 October 1963.

# THE SCHEDULE

Sl. No.	Product/Class of Products	No. and title of relevant Indian Standard	Unit	Marking Fee per Unit
1	2	3	4	5
1	Condensed Milk	IS:1166-1957 Specification for Condensed Milk.	One Metric Tonne.	Rs. 5.00 per unit for the first 500 units; Rs. 3.00 per unit for the next 500 units ; Rs. 2.00 per unit for the 1001st units and above with a minimum of Rs. 3000.00 for production during a calendar year.

[No. MD/18 : 2.]

**S.O. 2725.**—In pursuance of sub-regulation (3) of regulation 7 of the Indian Standards Institution (Certification Marks) Regulations, 1955, as amended in 1961 and 1962, the Indian Standards Institution hereby notifies that the marking fee per unit for Rosin Cored Solder Wire, Activated and Non-Activated details of which are given in the Schedule hereto annexed, has been determined and the fee shall come into force with effect from 15 September 1963.

## THE SCHEDULE

Sl. No.	Product/Class of Products	No. and title of relevant Indian Standard	Unit	Marking Fee per Unit
1	2	3	4	5
1	Rosin Cored Solder Wire, Activated and Non-Activated ( <i>Non-corrosive</i> )	IS:1921-1961 Specification for Rosin Cored Solder Wire, Activated and Non-Activated ( <i>Non-corrosive</i> ).	One Kg.	3 nP per unit with a minimum of Rs. 500.00 for production during a calendar year.

[No. MD/18:2]

**S.O. 2726.**—In partial modification of the then Ministry of Commerce and Industry (Indian Standards Institution) notification published under S.O. 2608, dated the 8th October 1960 in the Gazette of India, Part II, Section 3, Sub-section (ii), dated the 29th October 1960, the Indian Standards Institution hereby notifies that the marking fee per unit for Pruning Knives, Hooked and Curved details of which are given in the Schedule hereto annexed, has been revised. The revised rate of marking fee shall come into force with effect from 1 July 1963.

## THE SCHEDULE

Sl. No.	Product/Class of Product	No. and Title of Relevant Indian Standard	Unit	Marking Fee per Unit
1	Pruning Knives, Hooked and Curved.	IS:619-1961 Specification for Pruning Knives, Hooked and Curved ( <i>Revised</i> ).	100 pieces	Rs. 3.50 per 100 pieces with a minimum of Rs. 500.00 for production during a calendar year.

[No. MD/18:2]

**S.O. 2727.**—In exercise of the powers conferred by sub-regulations (2) and (3) of regulation 3 of the Indian Standards Institution (Certification Marks) Regulations, 1955, as amended in 1962, the Indian Standards Institution hereby notifies the issue of errata slips particulars of which are given in column (4) of the Schedule hereto annexed, in respect of the Indian Standards specified in column (2) of the said Schedule.

## THE SCHEDULE

Sl. No.	No. and Title of Indian Standard	No. and date of Gazette Notification in which establishment of Indian Standard was notified	Particulars of Errata Slip Issued
1	2	3	4
1	IS:458-1961 Specification for Concrete Pipes (With and Without Reinforcement) ( <i>Revised</i> )	S.O. 1856, dated 16 June 1962.	(i) Page 2, clause 0 5— (a) please read 'IS:1916-1963 Specification for Steel Cylinder Reinforced Concrete Pipes'

1	2	3	4
			for '*IS:1916- Specification for Steel Pipes Lined and Outcoated With Cement Concrete or Mortar'
			(b) Delete the asterisked footnote at the bottom of the page.
			(ii) Page 4, sub-clause 4.1.2—Substitute the following for the existing sub-clause :
			'4.1.2. Nominal longitudinal reinforcement provided for the purposes of forming a reinforcement cage of the required shape and size is generally adequate. It shall, however, be ensured that the total quantity of longitudinal steel in the pipe is adequate, when assessed by calculation to support as a hollow circular beam twice the weight of the pipe and twice the weight of the water required to fill it across a span equal to the length of the pipe without exceeding the permissible stresses.'
			(iii) Page 10, clause 8.2(a), line 2—please read '2.2' for '2.3'.
			(iv) Page 10, sub-clause 9.1.3. line 2—please read 'pipes' for 'containers'
			(v) Page 10, sub-clause 9.1.3. line 4—please read 'pipe' for 'container'.
			(vi) Page 14, the existing Fig 3 has been substituted by a new one.
2	IS:2210-1962 Criteria for the Design of Reinforced Concrete Shell Structures and Folded Plates.	S.O. 1683, dated 22 June 1963.	(i) Page 12, Sub-sub-clause 8.1.2.1. line 1 please read 'T' for 'k'
			(ii) Page 15, Sub-sub-clause 8.2.1.4. line 1 please read ' $s - rt \leq 0$ ' for ' $s - rt, \leq 0$ '
			(iii) Page 16, sub-clause 8.2.4. (b) line 4—please read 'z-axis' for 'Z-axis'
			(iv) Page 16, sub-clause 8.2.4. (b) line 7—please read 'r, s and t are as defined in 3 and Z=vertical load per unit area of shell surface assumed positive in the positive direction of 'z-axis'.
			for 'r, s, t and Z are as defined in 3'
			(v) Page 33, caption of Fig. 7C—please read 'Hyperboloid of Revolution of One Sheet' for 'Hyperboloid of Revolution'.

Copies of these Errata Slips are available, free of cost, with the Indian Standards Institution Manak Bhavan, 9 Mathura Road, New Delhi - 1 and also at its Branch Offices at (i) 232 Dr. Dadabhai Naoroji Road, Bombay-1, (ii) Third Floor, 11 Sooterkin Street, Calcutta-13, (iii) Second Floor, Sathyamurthi Bhavan, 54, General Patters Road, Madras-2, and (iv) 14/69 Civil Lines Kanpur.

[No. MD/13:6]

S. K. SEN, Head of the Certificate Mark Deptt.

**ERRATA**

In the Ministry of Commerce & Industry (Indian Standards Institution) Notification, dated 5 July 1963, published in the Gazette of India, Part II, Section 3, Sub-section (ii) dated 20 July 1963; the following mistakes may be corrected:

Page 2282, Sl. No. 3, Col. 6.—

*read* 'Tea-chest Metal Fittings'

*for* 'Tea-chest Plywood Panels'.

Page 2285, Sl No. 12, Col. 7, Line 1,—

*read* 'IS:266-1961' *for* 'IS:226-1961'.